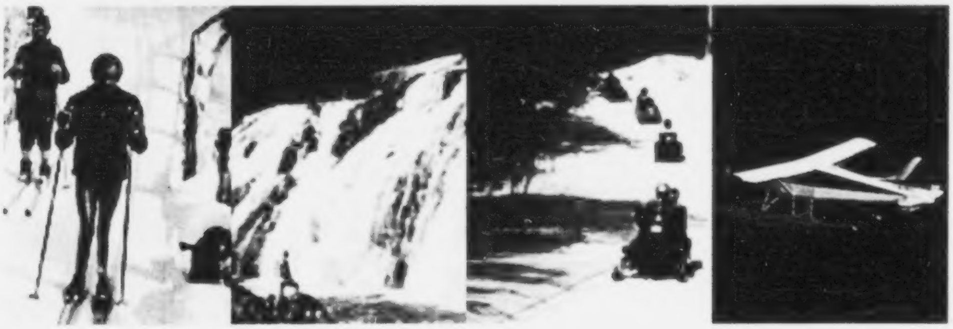
Ontario

Ontario Resource-Based Tourism Diversification Opportunities Report



OVERALL STUDY REPORT

December 2002

Ontario

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OVERALL STUDY REPORT

Prepared for
Ministry of Northern Development and Mines

By

ECONOMIC GROWTH SOLUTIONS INC.

In association with

WILD International
Insignia Marketing Research Inc.
Commonwealth Historic Resource Management Ltd.
Tourism Consulting Associates

December 2002

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Federal and Provincial Guidelines and Regulations

While not specifically referred to in this document, it should be emphasized that any public and/or private sector organizations and individuals implementing any of the suggested strategies and recommendations contained in this document should adhere to all appropriate federal and provincial guidelines and regulations.

EXECUTIVE SUMMARY

INTRODUCTION

Ontario's Resource-Based Tourism Industry encompasses some 1,650 licensed tourist operators that generate hundreds of millions of dollars in revenues annually. The majority of these operations have traditionally focused on fishing and hunting, taking advantage of Ontario's world-class product in this regard. In addition to fishing and hunting, many operators have diversified into a broader base of outdoor adventure activities, family summer vacation experiences, and more specific nature-based and ecotourism products.

The purpose of this study is to identify alternative resource-based tourism product development opportunities beyond the traditional fishing and hunting markets. There are a number of emerging markets that traditional operators could access with well-conceived business plans.

Ontario Resource-Based Tourism Diversification Program

In October of 2000, the Minister of Northern Development and Mines announced a $6.3 million Resource-Based Tourism Diversification Program to help resource-based tourism operations that use Crown Land and Crown resources to grow, diversifying the economy of rural Ontario. This Program is expected to complement other government initiatives and build partnerships.

The success of the Resource-based Tourism Diversification Program will depend upon the extent to which tourism operators understand the market and are able to use market intelligence to shape their business plans, capital investments and marketing plans.

Addressing Key Issues

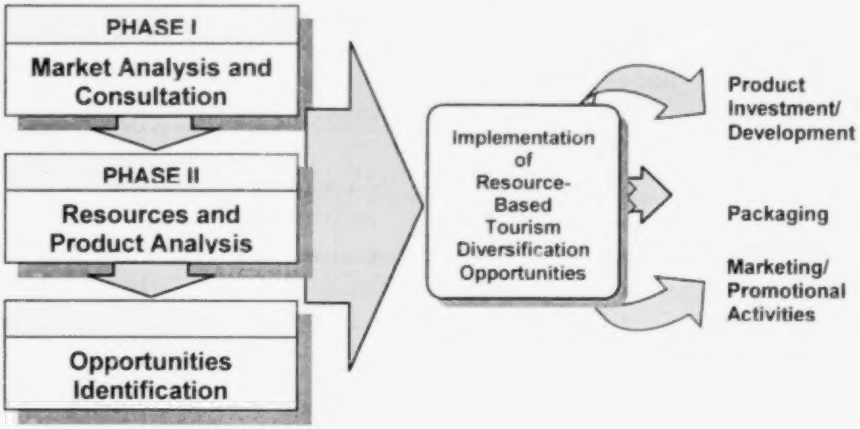
Recognizing what has already been achieved by Ontario's resource-based tourism Industry in terms of growth and development, the study focused on answering the following questions:

1. What are the strengths, weaknesses, opportunities and threats associated with resource-based tourism in Ontario?
2. What is the extent of market demand for resource-based tourism activities? The demand for resource-based tourism has a number of key components and sub-markets.
3. What is the current state of product development? Lack of enough market-ready product may be a significant constraint to the attraction of visitors for non-consumptive resource-based tourism.
4. How can established businesses take advantage of the new opportunities? As these new markets are identified it is important to understand how existing tourist operators can adjust their method of operation to capitalize upon these opportunities.
5. How can products be developed which will reach key target markets? Effective packaging development and distribution is a critical issue.

Three-Phase Study Work Program

A three-phase work plan for this Resource-Based Tourism Diversification Opportunities Study for Ontario was undertaken to address the key objectives of the assignment, as shown in Figure 1.

Figure 1: Three-Phase Study Work Program


PHASE I
Market Analysis and Consultation
PHASE II
Resources and Product Analysis
Opportunities Identification
Implementation of Resource-Based Tourism Diversification Opportunities
Product Investment/ Development
Packaging
Marketing/ Promotional Activities

This study was undertaken by Economic Growth Solutions Inc., a management consulting firm that specializes in tourism and hospitality industry studies, as well as broader economic development projects. The firm's principals who worked on this project have extensive experience in Northern Ontario. Working closely with Economic Growth Solutions was a series of additional specialist firms, including: Insignia Marketing Research Inc., who undertook a survey of resource-based tourist operators across Ontario; WILD International, a consultancy which specializes in adventure travel and ecotourism; and Commonwealth Historic Resource Management Ltd., which specializes in cultural and heritage resources management and development, and tourist attractions development. Some additional advice was provided by Tourism Consulting Associates which has considerable experience with all types of resource-based tourism.

RESULTS OF ONTARIO RESOURCE-BASED TOURIST OPERATORS SURVEY

A telephone survey was conducted by Insignia Marketing Research Inc. based on a representative sample from the Resource-Based Tourism database provided by the Ministry of Northern Development and Mines. The database included approximately 1,650 names and addresses of operators. District quotas were established to ensure a representative sample across the province. To ensure a statistically significant result, a total of 200 interviews were completed during August, 2001.

The purpose of the tourist operators survey research was to obtain the opinions of Ontario's resource-based tourism operators about:

- Changes in the industry, including the challenges they face
- Their desire to change, in terms of pursuing new non-consumptive markets
- Ideas for expanding and growing their operations
- The extent of their existing facilities and product offerings.

Key Findings from Survey

These are summarized briefly in the following paragraphs and then in more detail in subsequent sub-sections of this part of the report.

◆ **Attitude Toward Change**. There is broad agreement among Ontario resource based tourism operators that further investment is required in their businesses to survive long term:

- 74% agree that significant investment is required to keep up.
- 64% claim that they must upgrade their facilities to survive.

However, there is some resistance to change:

- Although the majority (91%) are constantly trying to upgrade their facilities, only one in three (35%) is prepared to "expand their facilities and experiences to attract new types of guests".

◆ **Resistance Factors.** It appears that there are three principal barriers to change:

- The perceived difficulty in obtaining financing.
- Government regulations.
- An absence of ideas and direction on what kinds of new activities and experiences to offer in order to attract new types of guests.

However, the majority want to maintain a viable business long-term, so their desire to expand and grow is clearly in place:

- 96% own their own properties.
- 60% do not plan to retire in the next 5 years.
- 42% plan to sell their business eventually, only 3% close it down (the rest will pass it on to family – 30%).

◆ **The Opportunity.** There are a number of activities/experiences that operators could add or expand upon that do not require major capital investments. Of highest interest to operators are adding:

- Wildlife viewing, birdwatching, photography

- Canoe/kayak rentals/outfitting
- Hiking/walking tours

Snowmobiling is another activity of interest, but operators believe that it would require a larger investment.

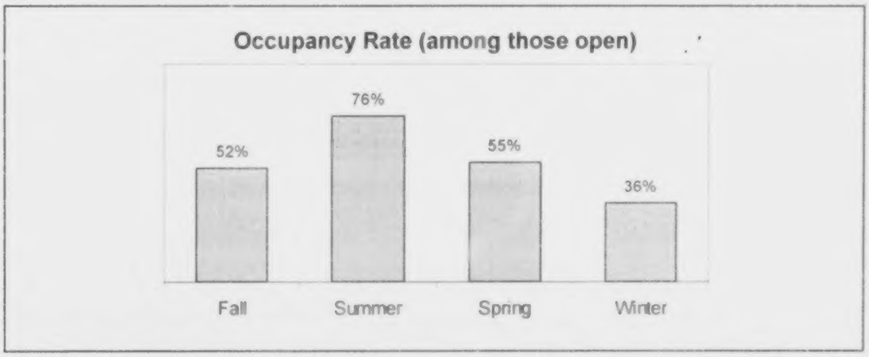
These activities fit very well with the main objectives of most visitors – to experience nature, peace and quiet, and the wilderness way of life, essentially in a non-consumptive manner.

Seasonality and Visitors Characteristics

While a majority of operators are seasonal operations, almost one-quarter have year-round operations.

- **Months operators are open.** Most resource based tourism operators in Ontario are open from May to October, with only a minority staying open year round (29%).
- **Occupancy Rates.** Most operators are open for at least part of the spring and fall. Only 29% operate during the winter. Occupancy rates during the summer are reasonably high (76% on average – see Figure 2).

Figure 2: Occupancy Rates by Season



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

- **Where do visitors come from?** Ontario and the north central states of Ohio, Michigan, Wisconsin, and Illinois are the five most frequently mentioned sources of visitors to Ontario resource-based tourist operators. New York state and Europe are the next most frequently mentioned sources of visitors.

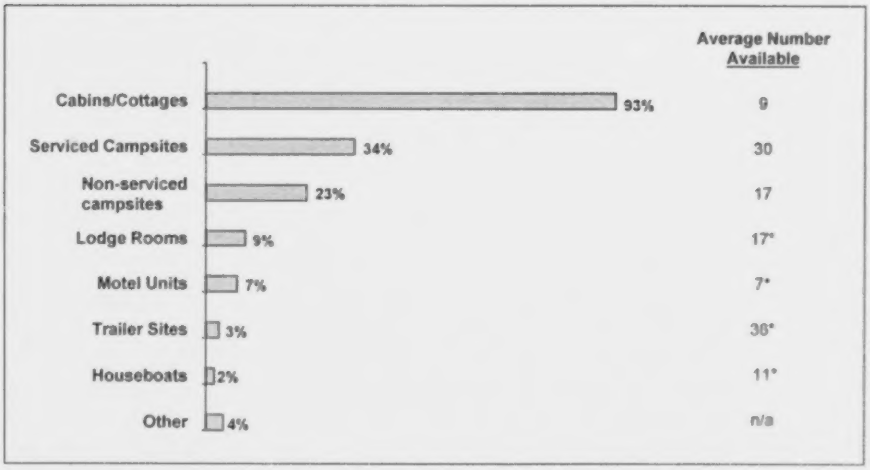
- **Types of guests.** The family market is mentioned by the majority of operators (62%) as being a key type of visitor, followed by male groups, noted by 42% of operators, and mixed groups (37%).

Access and Accommodations

- **How is the site accessed?** Most operations are accessible by road (78%). Just over one in ten are fly-in (13%) or boat-in (12%). Approximately 2% have rail access.

- **What types of accommodation are offered?** Virtually all operations have cabins or cottages, as shown in Figure 3 (93%), with only one in ten having lodge accommodation (9%). Fixed-roof room availability is generally on a small scale – for example, only 9 cabins or cottages on average. A minority have campsites.

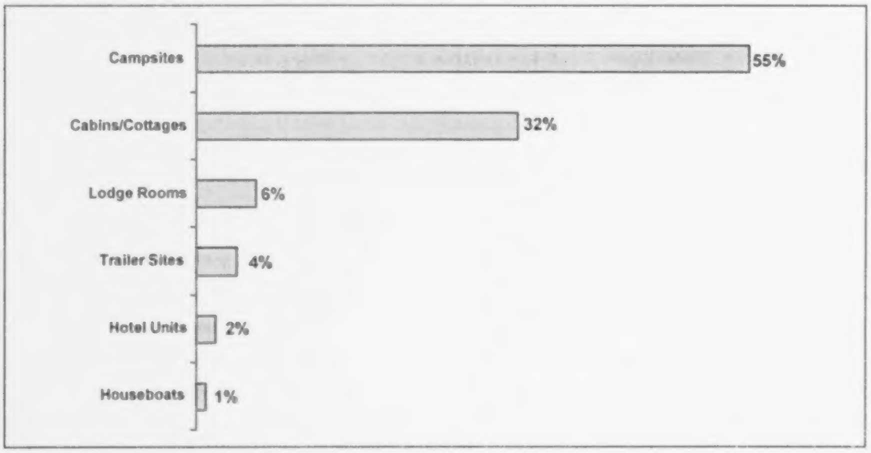
Figure 3: Types of Accommodation Provided by Operators



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

- **Breakdown of total accommodation inventory.** Even though only a minority have campsites, they actually account for over half (55%) of accommodation available among those surveyed, as shown in Figure 4.

Figure 4: Percentage of Total Accommodation Available by Type



Source: *Tourist Operators Survey conducted by Insignia Marketing Research Inc.*

- **How well equipped are the cabins/cottages?** Most cabins/cottages have hot and cold running water, indoor plumbing and basic kitchen facilities (90% or more). This makes the basic infrastructure available capable of drawing from a broad market base, especially the large families and soft adventure markets.

Packaging and Pricing

Relatively little comprehensive packaging is done by operators, with the majority being housekeeping operations, although there is considerable potential.

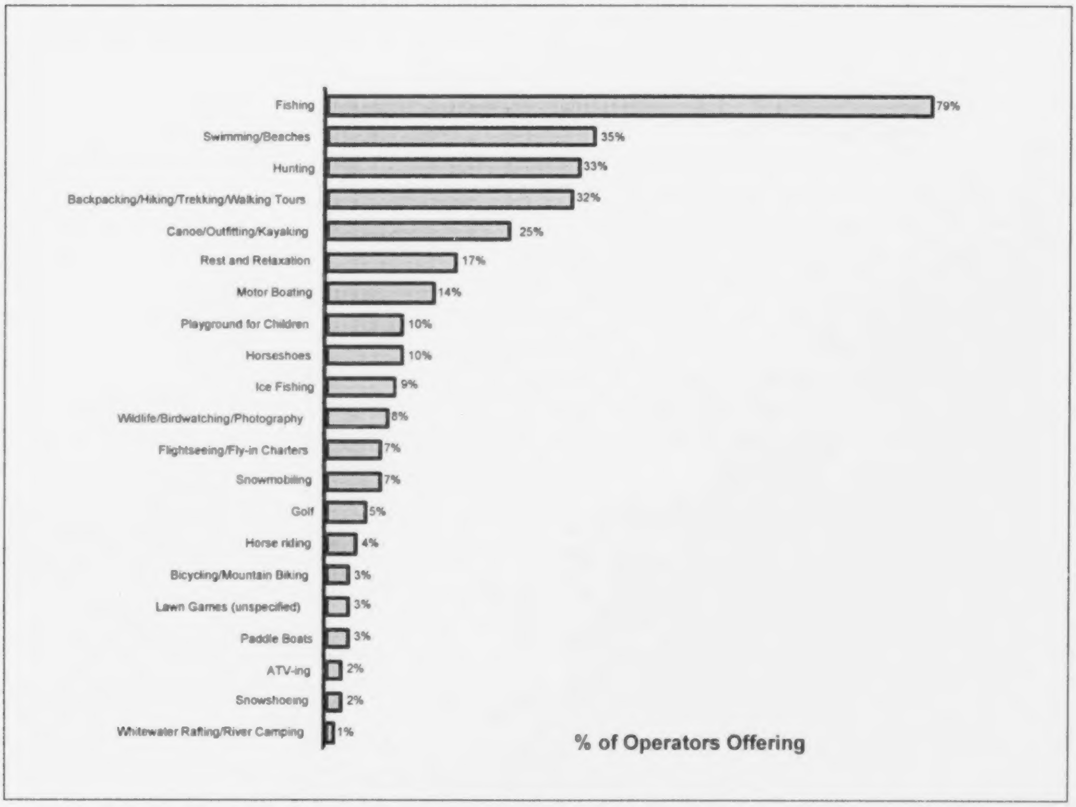
- **Types of plans and packages offered.** Only a minority offer all-inclusive packages (25%) or an American Plan (28%). Usually, housekeeping is provided (78%). Only 10% package with other lodges, guides and outfitters.

Survey Results – Activities and Experiences

The purpose of this line of questioning was to understand the broad range of activities being offered by resource-based tourist operators and the overall experiences of their guests.

- **Types of activities offered.** Typically, there are not many activities offered, aside from fishing (79%), as shown in Figure 5. Only 1 in 3 (33%) provide hunting, hiking (32%), canoeing/kayaking (24%) and even fewer provide other activities.

Figure 5: Types of Outdoor Activities Available



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

- **Experiences guests are looking for.** Guests are primarily seeking the serenity of an outdoor, nature-oriented lifestyle. Almost three-quarters of operators indicated guests are looking for peace and quiet, and over half indicated guests were seeking a wilderness experience or "back to nature" vacation. Outdoor adventure was cited by 43% of operators as a key type of experience guests are looking for.

The Future of Resource-Based Tourism

Operators see ecotourism and adventure travel as a growing business. However, many (50%) believe Ontario is losing market share and that it is critical to invest in their businesses to compete and survive long-term. Aside from facility improvement there is general belief that more marketing would help generate visitors. The majority of operators are willing to promote their businesses more.

- **How businesses will change.** Among the 47% of operators who believe that their business will change in the near future, many anticipate growth in non-consumptive ecotourism, as well as more and improved accommodation.

- **Operators' interest in expanding facilities and experiences to attract new guests.** Even though they recognize the need, only one in three operators are prepared to expand facilities and/or experiences to draw in new types of guests.

- **What ideas are being considered to attract new guests?** As indicated, those who are considering changes (35%) have some specific ideas including boat rentals, wildlife viewing, hiking trails, snowmobiling and ATV trails, more family activities and guided excursions, as well as upgrading facilities.

- **What ideas interest operators?** Presenting ideas to operators for attracting visitors elicited a very good response. Wildlife viewing, bird watching, photography, hiking, walking tours, snowmobiling and canoe/kayak activities all scored high on interest. Many are also very interested in upgrading and expanding their accommodation (see Figure 6).

Figure 6: Level of Interest in Resource-Based Tourism Diversification Opportunities

Top Ten Ideas	% Very Interested
Building more cabins/cottages	46
Expanding lodge/furnishings	44
Wildlife/birdwatching/photography	41
Canoe outfitting/kayaking	37
Winterizing accommodation	34
Snowmobiling	31
Backpacking/hiking/trekking/walking tours	30
Operating earlier in the season	26
Staying open longer in the season	26
Offering all inclusive packages	24
Other Considerations	
Nature interpretation with guide	21
ATVing	21
Scuba Diving	20
Cultural & historical tours	20
Arts & craft activities	20
Bicycling/mountain biking	19
Flightseeing/fly-in charters	16
Golf	16

Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

PRINCIPAL ISSUES RAISED BY RESOURCE-BASED OPERATORS

Principal findings from the stakeholder consultations, market research and tourist operators survey fall into several categories:

- Regulatory concerns
- Issues related to capital financing
- Defining new products and marketing them
- Difficulties associated with penetrating new market segments

- Licensing and certification issues
- Issues associated with Southern Ontario resource-based operators

Regulatory Concerns

Regulatory concerns are significant and are affecting the viability of the entire resource-based tourism industry. The spring bear hunt issue is one of several of regulatory concerns that operators claim create uncertainty and discourage investment.

- Many operators realize the need to reach out to the new market opportunities, but a wave of uncertainty still surrounds them because of government regulations
- As a result, it is very difficult for the operators to justify new business investments

Regulatory concerns are wide-ranging and involve different levels of government. A partial listing of key concerns involving regulatory complaints was identified by the tourist operators in the interviews and focus groups:

- Gun controls at the border
- Licensing fees
- Provincial border requirements and fees for snowmobilers
- Gas handling requirements
- Spraying notifications
- Pricing for the purchase and/or long term lease of Crown land and the types of uses permitted

Many of the operators are under the impression that the Ministries of Natural Resources and Tourism are working at cross-purposes in relation to tourism.

Issues Related to Capital Financing

The primary difficulty operators have in pursuing new tourism markets is accessing capital requirements. However, they do realize that making changes to their facilities will make their operations more attractive and marketable to new customers.

- Accessing capital at affordable rates is a problem for all tourism businesses in Ontario
- For those businesses looking to convert or develop new facilities, access to affordable capital depends upon having the necessary collateral to guarantee a loan
- As a result, there is a minimal amount of new capital investment.

The Ontario Resource-Based Tourism Diversification Program has received only minor acceptance within the industry. Many of the issues and requirements associated with the spring bear hunt have clouded the merit of this Program.

Defining New Products and Marketing Them

Defining new products and marketing them effectively is a challenge. Initially, defining marketing opportunities in relation to new market segments is a major task for operators. They need better information to do this.

- Most resource-based operators need to develop packages and create new opportunities in order to effectively penetrate the marketplace.
- The Internet is increasingly becoming the most cost-effective way to reach diverse markets. Penetration is significant among resource-based operators.
- For operators in remote areas, the lack of telecommunications capability is a disadvantage – although technology advances are helping to mitigate this.
- Better market research is needed to help the operators.

The demographics of both the customers and the operators are changing. There is a transition occurring in the base age of the hunting and fishing lodge operators and their customers. This leads to a very conservative attitude to new markets on the part of the owners. As a transition occurs to younger lodge owners, it is reasonable to expect more interest in pursuing new investments and markets.

Difficulties with Penetrating New Market Segments

Fishing will remain the core business for most operators as they make a gradual transition to new markets with appropriate assistance. It is not feasible or realistic to expect a rapid transition to new markets.

- However, transition to the more eco-friendly "catch and release" fishing has been happening with considerable adaptability and speed.
- This transition has created a situation of increased compatibility between fishing operations and new potential markets.

Big game hunting operations will continue to have the most difficulty in establishing compatibility with new market opportunities.

- This remains particularly true where big game hunting is the core business for a lodge.

The ecotourism market is still in its early stages of development in Northern Ontario. Lodges that have been successful in pursuing this market have focused on the higher-end market, but some lodges have found it risky to exclusively rely on this market because of its lack of development

- It is premature to solely market to ecotourism segments
- The core business generally remains focused on fishing
- The key aspect of ecotourism marketing is the effective way it can extend the market into the shoulder seasons.

Licensing and Certification Issues

Licensing and certification are key issues for the industry to address. The current licensing of resource-based tourist operators offers little value to the operator or the consumer. It does not ensure any minimum standard or even conformance to government regulations.

MARKET AND PRODUCT OPPORTUNITIES

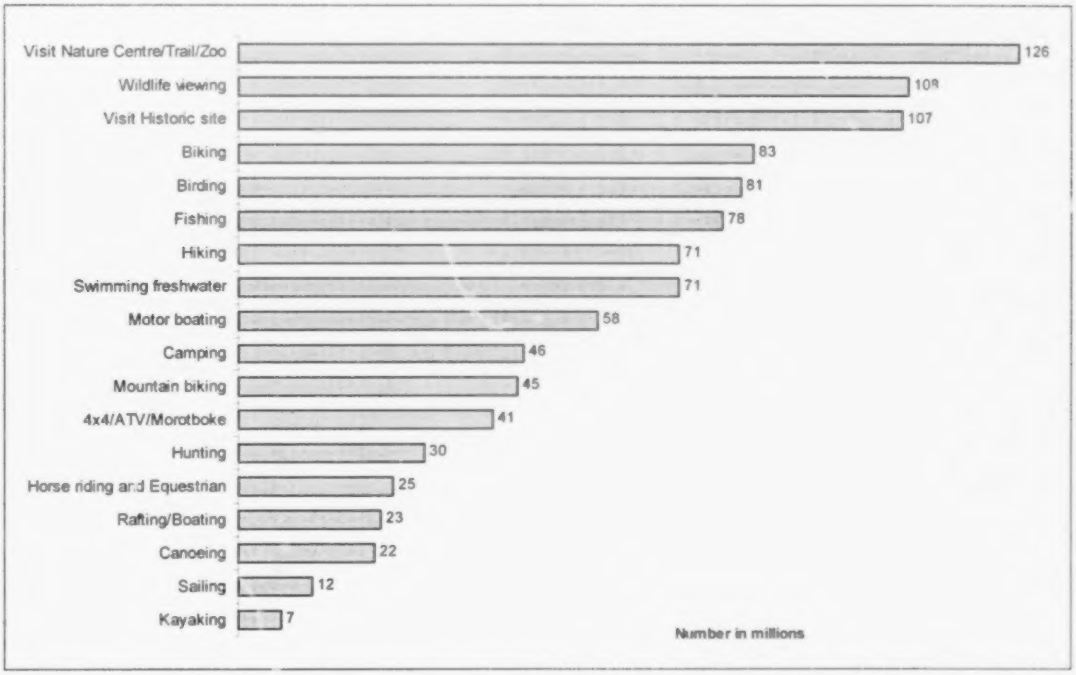
Fishing and hunting have been highly successful flagship products for Ontario's resource-based tourism sector. However, there is considerable potential to diversify into non-consumptive resource-based tourism market segments, many of which have higher participation levels than fishing and hunting.

Magnitudes of Potential Outdoor Markets by Activity

U.S. and Canadian outdoor activities participation data indicate the relative sizes of the various non-consumptive outdoor markets in relation to hunting and fishing.

- **There is a large potential U.S. market for non-consumptive forms of outdoor recreation**, as shown in Figure 7. Many of the non-consumptive activities have much higher participation levels than fishing or hunting.
- **U.S. participation in key outdoor activities specifically relevant to Ontario's resource-based operators shows significant market potential**, as indicated in Figure 7. Ontario has the natural resource base to offer high quality outdoor experiences in many key product niches that have high levels of participation in the U.S. Once again, several activities have higher participation levels than fishing and many have higher participation levels than hunting.

Figure 7: U.S. Participation in Outdoor Activities

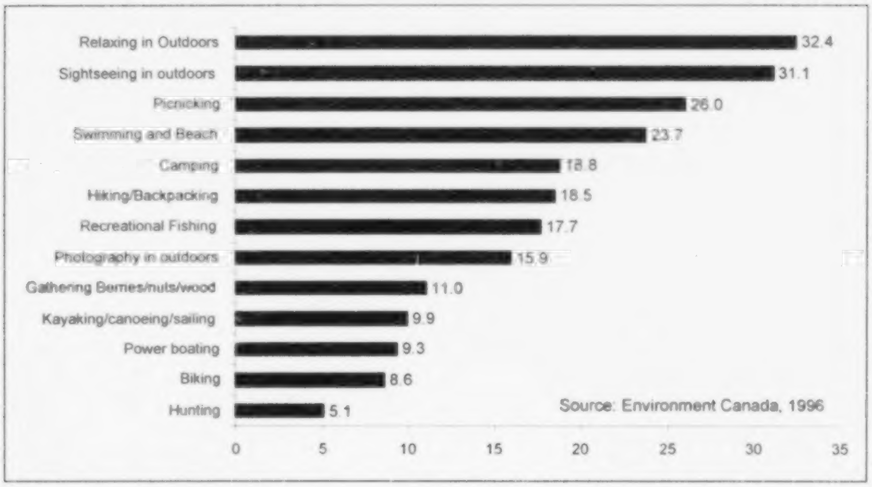


Source: USDA Forest Service, 2000

◆ **U.S. participation is also significant for winter activities** that may be relevant to Ontario's resource-based operators, and will help operators build volume in the winter season.

◆ **Within Canada there is also strong interest in outdoor-oriented activities** (Figure 8). Again, many outdoor activities have higher participation levels than hunting and fishing.

Figure 8: Percentage of Canadians Participating in Outdoor-Oriented Activities in Canada



Source: Environment Canada, 1996

- **Participation across the provinces in outdoor activities averaged 85%** of the total population, with Alberta the highest at 89% and Yukon the lowest at 77% – Ontario was at the average 85%.
- **Canadians also have a strong interest in winter activities** such as alpine skiing, snowshoeing, snowmobiling and cross country skiing.

Characteristics of Ecotourists

There is a large North American market for outdoor adventures, ecotourism and nature-based tourism. Studies estimate that nearly half (48%) of all U.S. vacations involved some form of nature-based activity. Key activities include:

- Boating, hiking, camping, biking, wildlife viewing, skiing, touring, fishing, local cultures and walking.
- Tour operators from Asia-Pacific region who offer ecotourism products have experienced annual growth rates of 10% to 25% in recent years.

- Ecotourism and all nature-related tourism account for approximately 20% of total international travel (WTO, 1998).

Wildlife viewing and birding are popular outdoor activities. Recent studies (U.S. Forest Service, 2000) estimate the number of wildlife viewers in the U.S. to be approximately 108 million, indicating rapid growth in this market. Demographics are shown below:

Wildlife Viewer Demographics

Age	Gender	Income
25% (35-44)	54% women	40% - $75-99,999
19% (65 +)	46% men	37% - $100,000 +

Source: US Fish and Wildlife Service, 1996

- Nearly 80% of all wildlife watchers are believed to be birders according to the American Birding Association.
- Spending by people who view wildlife has increased over the last few years.

Fishing and Hunting Segments

- **Fishing and hunting markets are showing modest or no growth**, which is cause for concern for resource-based operations. Participation levels are lower than for many other outdoor activities to begin with. Also, fishing and hunting are largely male activities (73% of US anglers and 91% of US hunters), whereas non-consumptive activities cater almost equally to male and female markets (variations by activity).
    - There has been some growth (2-5%) in the fishing market in recent years, particularly in the catch-and-release market.
    - Fishing, however, remains a large outdoor activity and one that is compatible with other types of resource-based tourism.

  - Hunting overall has remained relatively stable, with declines in some segments such as waterfowl hunting.

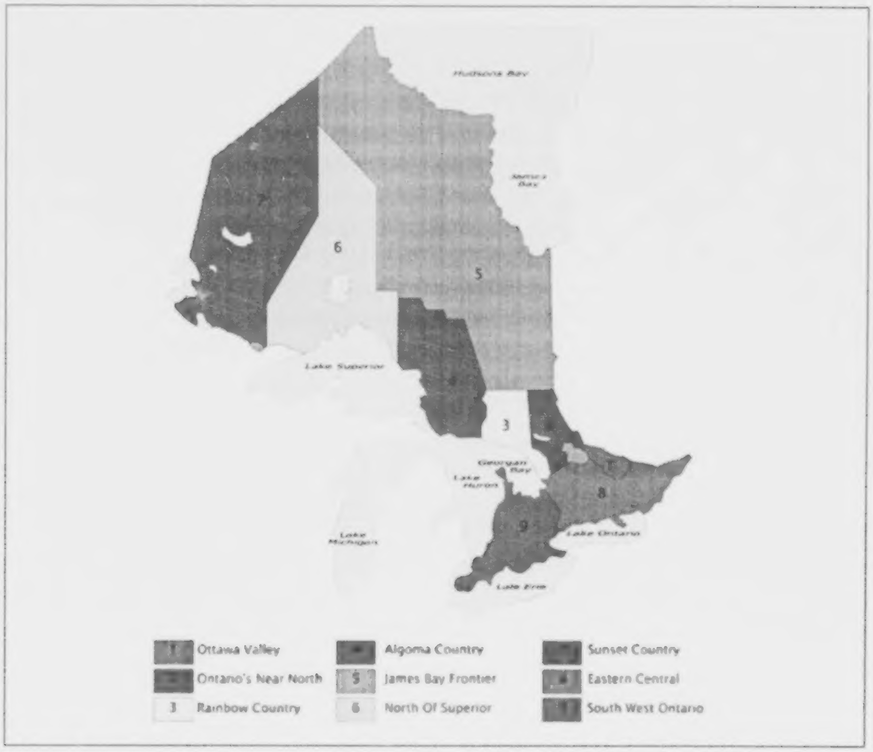
- **Learning vacations** are a fast growing segment of the travel market, also with high participation levels. Learning about nature, the environment, culture and history are significant motivators for outdoor recreation. Resource-based activities such as ecotourism provide ideal environments for learning and education.

- **Accommodation preferences** of the North American ecotourism market are consistent with much of what is offered by resource-based operators. A 1995 study found that 66% of ecotourists indicated a preference for cabin-type accommodations and 60% for lodge or inn style accommodations.

Natural and Cultural Resources Vary by Region

The natural and cultural resources which resource-based tourist operators can tap into vary considerably by region. In Figure 9, nine geographic regions are shown including the six NOTAP regions along with three southern Ontario regions. In each region there are distinct potential resources, markets and products suitable for resource-based tourism diversification.

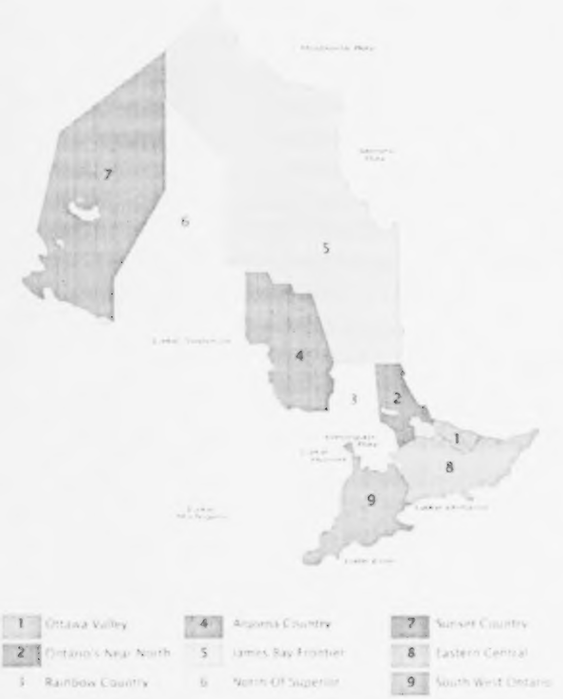
Figure 9: Map of Ontario Regions


Hudsons Bay
James Bay
6
5
Lake Superior
3
Georgian Bay
Lake Huron
8
9
Lake Ontario
Lake Michigan
Lake Erie
1 Ottawa Valley
Ontario's Near North
3 Rainbow Country
Algoma Country
5 James Bay Frontier
6 North Of Superior
Sunset Country
Eastern Central
South West Ontario

There are several National Parks and many National Historic sites distributed throughout most regions of the province, which offer cultural heritage product potential, along with other provincial and municipal historic sites, buildings and museums.

The province's various distinct ecoregions mean that distinctly different types of wilderness and outdoor experiences can be offered in different parts of the province (Figure 10), especially when combined with other natural and cultural features which differ significantly by region.

Figure 9: Map of Ontario Regions


7
6
5
4
3
2
1
8
9
1 Ottawa Valley
2 Ontario's Near North
3 Rainbow Country
4 Algoma Country
5 James Bay Frontier
6 North Of Superior
7 Sunset Country
8 Eastern Central
9 South West Ontario

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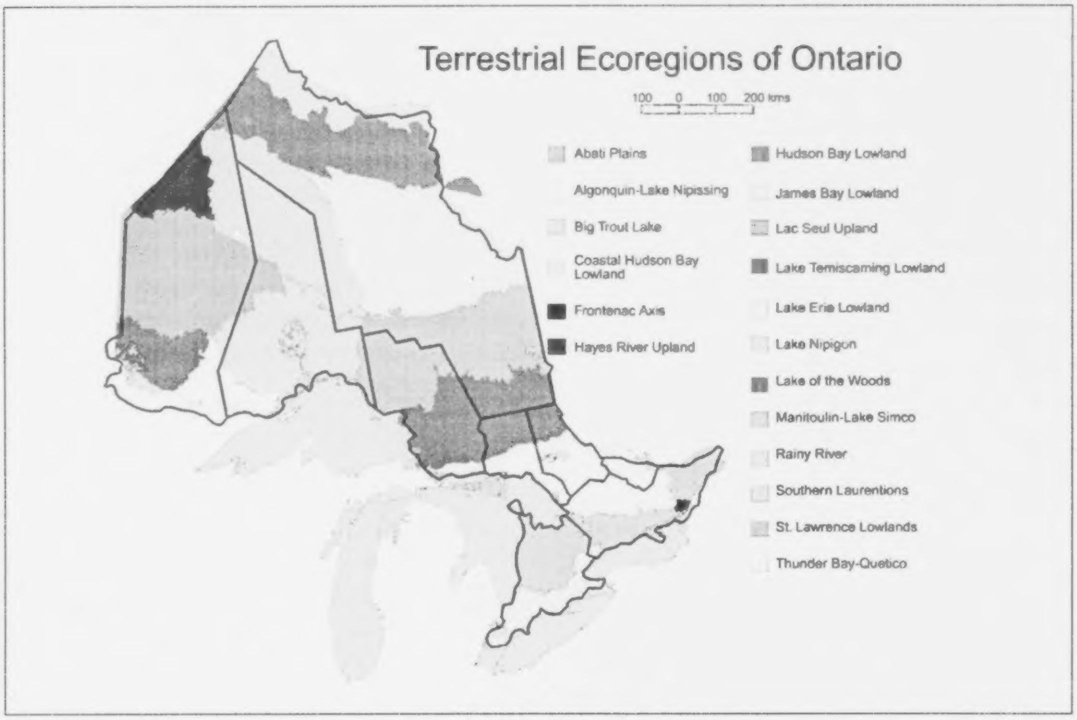
The province's various distinct ecoregions mean that distinctly different types of wilderness and outdoor experiences can be offered in different parts of the province (Figure 10), especially when combined with other natural and cultural features which differ significantly by region.

Figure 10: Terrestrial Ecoregions of Ontario


Terrestrial Ecoregions of Ontario
100 0 100 200 kms
Abati Plains
Algonquin-Lake Nipissing
Big Trout Lake
Coastal Hudson Bay Lowland
Frontenac Axis
Hayes River Upland
Hudson Bay Lowland
James Bay Lowland
Lac Seul Upland
Lake Temiscaming Lowland
Lake Erie Lowland
Lake Nipigon
Lake of the Woods
Manitoulin-Lake Simco
Rainy River
Southern Laurentions
St. Lawrence Lowlands
Thunder Bay-Quetico

PRODUCT OPPORTUNITIES

Based on the key interest expressed by lodge owners in new types of activities and experiences, and the geography and cultural heritage of Ontario, it is useful to consider resource-based tourism diversification opportunities for the province in the following general categories:

- **Nature appreciation.** Tourism experiences in this category are dependent on the vast natural resources of Ontario, its flora and fauna, and ecological and geological richness.
- **Water, land and air adventures.** The emphasis in this category is on tourism activities on water, land and in the air, which depend on

Ontario's vast network of rivers and lakes, extensive system of roads, trails, portages, and the freedom of Northern Ontario's airspace.

- **Cultural Experiences.** Tourism opportunities in this category build on the culture and history of Ontario from archaeological heritage to the present day and living treasures. Cultural experiences are interwoven with natural heritage of the province.
- **Winter experiences.** This category relates to a celebration of winter with an aim to increase tourist visitation in this period. It encompasses the three categories above, but with particular emphasis on winter activities and the cultural adaptations and unique experiences of an Ontario winter.

These four categories were used as the framework for identifying a long list of key product opportunities and activities for resource-based tourist operators. The long list was then analysed by the consulting team to identify the opportunities which are likely to be best-suited to Ontario's existing resource-based tourism operators.

These are shown on the chart in Figure 11 and each one is presented in detail in the companion *Product Development Opportunities* document, which provides helpful information for operators wishing to develop each of these types of packages.

Figure 11: Key Product Opportunities for Ontario's Resource-Based Tourism Operators

Product Category	Key Product Opportunities
Nature Appreciation	• Wildlife Viewing • Bird Watching • Old Growth Forest/Forest Canopy Tours • Wetlands Interpretation Tours • Marine Life Interpretation Packages • Astronomy/Star Gazing Packages • Rock Hounding Products/Packages

Product Category	Key Product Opportunities
Outdoor Adventures	• Bicycling/Mountain Biking Tours • Walking/Hiking/Trekking Packages • Canoeing and Kayaking Instruction/Guided Excursions • Orienteering/Survival and Outdoor Skills Programs • Tour Boat Cruises of Lakes and Rivers • Rock and Ice Climbing • Guided ATV Tours/Excursions
Cultural Heritage Packages	• Overall Cultural Heritage Products/Packages • First Nations Cultural Heritage Packages • Developing Railway Cultural Heritage Products and Packages • Forestry and Mining Cultural Heritage Products and Packages • Arts and Crafts Workshops
Winter Experiences	• Snowmobile Safari Tours • Lodge-to-Lodge Cross Country Ski Expeditions • Winter Getaway Packages

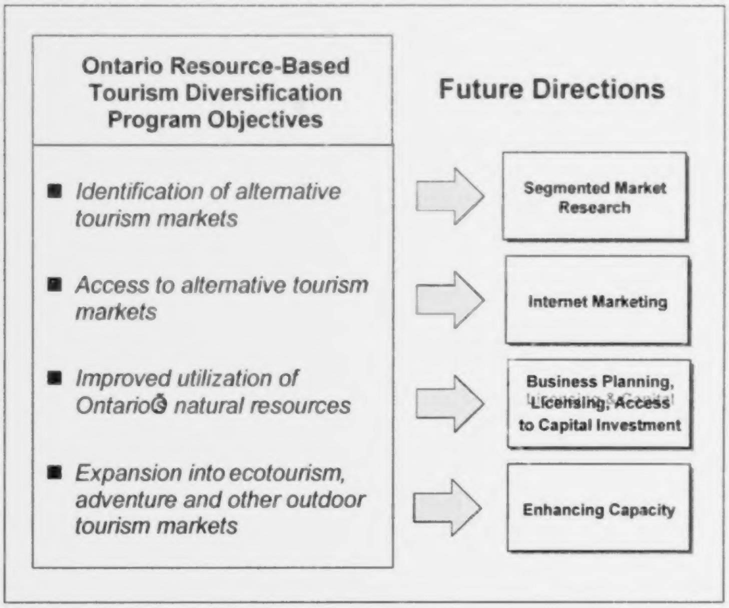
FUTURE DIRECTIONS FOR RESOURCE-BASED TOURISM IN ONTARIO

Ontario's resource-based tourism industry is clearly a partnership between the public and the private sectors. Both components of this partnership need to develop a vision for which there is mutual agreement, and then agree on specific strategies to realize this vision.

We have reviewed documentation from various Ministries related to the delivery of resource-based tourism, and there are a number of initiatives that are relevant. It would be helpful to consolidate these and work to fulfil a vision that will encompass the needs of the various stakeholders and tourist operators.

The overall objectives of the Ontario Resource-Based Tourism Diversification Program and four key suggested future directions for this sector are shown in Figure 12 and discussed in the paragraphs following it.

Figure 12: Ontario Resource-Based Tourism – Vision and Strategic Thrusts


Ontario Resource-Based Tourism Diversification Program Objectives
Future Directions
Identification of alternative tourism markets
Access to alternative tourism markets
Improved utilization of OntarioÕs natural resources
Expansion into ecotourism, adventure and other outdoor tourism markets
Segmented Market Research
Internet Marketing
Business Planning, Licensing, Access to Capital Investment
Enhancing Capacity

1. **Segmented research assistance to more clearly identify target markets and how to pursue them on an ongoing basis.** This should be designed to assist operators to identify the characteristics of the key tourism markets that provide opportunity for diversification in Ontario, allowing provincial and private sector marketing plans to be targeted, and to have results more clearly measured. It is clear that ecotourists and adventure travellers represent diverse market segments, and require distinct marketing efforts that directly appeal to their preferences. This type of primary market research is currently not being undertaken at an adequate level of detail, and is well beyond the capability of individual operators.

2. **Internet marketing assistance in taking new products to the global marketplace.** The broad diversity of the market segmentation for these new activities and the extent of their reach into global markets suggest

that the Worldwide Web may be the most cost effective means for taking many of these products into the global marketplace. This concept has been initiated successfully by consortiums such as *Paddling Ontario*, but needs to broaden out to a wide range of product groupings.

3. **Resource-based tourist operators business planning, licensing and access to capital investment.** The Ontario Resource-Based Tourism Diversification Planning Program has a Business Planning component, which provides funding assistance for operators to retain a qualified professional to prepare an appropriate business plan. This is an important initiative which should be continued and tied-in with capital assistance which is also currently available under the Program. Facilitating access to capital as a viable means for assisting individual tourism businesses should help to begin the diversification process. It is recognized that achieving diversification will require a transition period in which existing core business activities will be continued in order to maintain cash flow for business operations, while new ventures grow and produce new revenue streams. It may also be appropriate to tie-in such capital assistance with an enhanced licensing system, which will help to ensure consistent quality for the marketplace.

4. **Enhance capacity for resource-based tourism operators and their communities to develop/market broader range of packaged activities.** In order to appeal to a broader audience, a wider but complementary range of opportunities has to be researched, developed, and presented in a thorough manner, similar to what has been done for the *Paddling Ontario* and *Arts in the Wild* programs.

1 – INTRODUCTION

Ontario's Resource-Based Tourism Industry encompasses some 1,650 licensed tourist operators that generate hundreds of millions of dollars in revenues annually. This accounts for a significant component of Northern Ontario's tourism revenue, which is where most of these operations are based. The majority of these operations have traditionally focused on fishing and hunting, taking advantage of Ontario's world-class product in this regard. The province's extensive freshwater base (considered to be larger than anywhere else in the world) includes hundreds of thousands of lakes and rivers which offer tremendous fishing and other outdoor opportunities, along with extensive tracts of boreal forest, featuring an abundance of big game and other wildlife.

In addition to fishing and hunting, many operators have diversified into a broader base of outdoor adventure activities, family summer vacation experiences, and more specific nature-based and ecotourism products.

The purpose of this study is to identify alternative resource-based tourism product development opportunities beyond the traditional fishing and hunting markets. There are a number of emerging and non-consumptive markets that traditional operators could access if they had well-conceived business plans. This would include a better understanding of the magnitude of demand for each type of activity, market preferences, marketing and packaging opportunities for reaching the market, the pricing for different services, and the quality of service that customers expect to receive.

ONTARIO RESOURCE-BASED TOURISM DIVERSIFICATION PROGRAM

In October of 2000, the Minister of Northern Development and Mines announced a $6.3 million Resource-Based Tourism Diversification Program to help resource-based tourism operations that use Crown Land and Crown resources to grow, diversifying the economy of rural Ontario. This Program is expected to complement other government initiatives and build partnerships.

The success of the Resource-based Tourism Diversification Program will depend upon the extent to which tourist operators understand the market and are able to use market intelligence to shape their business plans, capital investments and marketing plans. One of the key ingredients for the success of this study is the extent to which it is accessible to and meaningful to tourist operators. There are vast differences in capacities across Northern Ontario and this Plan must take into account the competitive strengths, weaknesses, opportunities, and threats within the major regions. This research will only be useful if it is relevant to and useable by local operators. Therefore, we have developed a comprehensive *Product Development Opportunities* document as a companion piece to this study report – specifically designed to be a reference for tourist operators looking to expand into non-traditional resource-based tourism products and packages.

Providing assistance for entrepreneurs to develop resource-based tourism in Ontario must be sensitive to the environment and indigenous cultures. Sustainable tourism and maintaining cultural authenticity are indeed cornerstones for this strategic initiative. This study has, therefore, been conceived with a long-term vision, but is designed to move forward short-term opportunities for enhancing resource-based tourism product and market development.

NEED FOR RESOURCE-BASED TOURISM DEVELOPMENT

There are a number of timely reasons for initiating this Resource-Based Tourism Diversification Opportunities Study for Ontario, including those discussed below:

- **The industry has been successful in small pockets, but there is substantial untapped potential in many parts of Ontario.** Our extensive consultations with resource-based tourist operators in Ontario suggests that while there are many examples of successful operators and numerous communities that have made some effort to tap into this market, this success is not widespread throughout all of Ontario. There are very specific regions and communities where success has been most prevalent. Even within relatively successful tourism oriented communities, there are usually wide disparities in the levels of success achieved by individual resource-based tourism businesses.
- **Resource-based tourism is an ideal means of enhancing the local economies of many rural communities and enhancing quality of life.** This not only creates jobs, but its key values of environmental sustainability and preservation of cultural traditions and heritage can

help to achieve broader rural community development and better quality of life. Typically, various facilities, amenities and infrastructure developed to cater to visitors are also available for use by rural community residents, helping to enhance their lives.

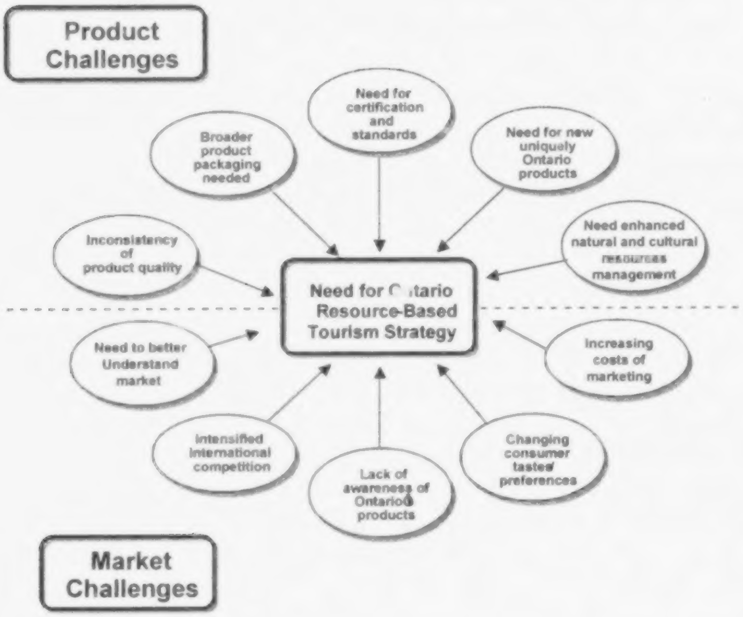
- **In remote communities without adequate economic bases, resource-based tourism can help create a local economic base.** The rapid growth of adventure travel and ecotourism, which by nature tend to be drawn to remote areas, makes tourism development a realistic possibility for many remote areas. Fishing and hunting represent traditional options, which can be supplemented with non-consumptive activities. With a base of natural resource oriented tourism activities and influx of visitation, it is then possible to encourage further enterprise development within the rural areas to support businesses which have evolved on the basis of resource oriented tourism.

- **Ontario's resource-based tourism product base needs to be better matched with market opportunities.** We know that there is a huge domestic and international market for Ontario's natural and cultural resource-based tourism products. We also know that in many instances what is being offered is not what the marketplace is looking for, so there is a need to more effectively reach the right target markets in the case of existing high quality products, or to develop new products for which there is a significant unserved market demand.

CHALLENGES FACING RESOURCE-BASED TOURISM IN ONTARIO

There are a range of challenges currently facing resource-based tourist operators across the province. These are shown in Figure 1.1 and fall into both product challenges and market challenges, which are described in the following paragraphs.

Figure 1.1 Challenges Facing Resource-Based Tourism in Ontario


Product Challenges
Need for certification and standards
Broader product packaging needed
Need for new uniquely Ontario products
Need enhanced natural and cultural resources management
Inconsistency of product quality
Need for Ontario Resource-Based Tourism Strategy
Need to better Understand market
Increasing costs of marketing
Intensified International competition
Changing consumer tastes/ preferences
Lack of awareness of Ontario's products
Market Challenges

Source: Economic Growth Solutions Inc.

Product Challenges

The principal product challenges relate to both the individual resource-based tourist operators and the industry as a whole, as described in the following paragraphs.

- **Inconsistency of product quality.** While this can be said of Ontario's tourism industry as a whole, it is particularly evident in the resource-based sector that a very wide range of product quality is currently being marketed, with many facilities being out of sync with current market expectations and needs. Much of the existing fishing and hunting lodge and camp infrastructure is very dated and upgrading, in the case of many properties, has been minimal. At the other end of the spectrum, there are brand new facilities, and high-quality lodge operations that have been fully renovated or totally rebuilt in recent years, offering first-class accommodations and high levels of service to discriminating travelers. While it is not essential that all facilities cater to the high end of the market, it is important that quality standards be upgraded at the lower end to meet current marketplace requirements.

- **Broader product packaging needed.** The majority of resource-based operators already engage in some form of packaging. However, for the most part, it is inclusive of accommodations, sometimes transportation or transfers from airports, boat and motor for fishing, fishing or hunting licenses, and in the case of some facilities, a full American plan, including 3 meals a day. Some operations will include admission to local attractions (especially on rainy days), but generally speaking, little packaging is done with other resource-based or non-resource-based operators.

- **Need for certification and standards.** This is important both for quality assurance and risk management. Insurance continues to be a key issue in the tourism business, particularly for tourist operators offering outdoor and adventure-oriented experiences, such as hunting and fishing. Minimum quality assurance standards and certification requirements for operators and guides would help to enhance the consistency of product quality, and contribute to risk management, thereby controlling insurance costs, and actual risk.

- **Need for new and uniquely Ontario products.** Ontario is already nationally and internationally significant in terms of the fishing and hunting product offered by the resource-based operators. It has a relatively low profile, however, on the national and international stage with respect to other outdoor adventure products, nature tourism and ecotourism – yet the potential is enormous. The existing resource-based tourism infrastructure is suitable for helping to launch new unique Ontario outdoor products, which would be well-received in the national and international marketplaces.

- **Need enhanced natural and cultural resources management.** In order to develop some of these unique new opportunities, which typically have a natural environment and/or cultural resources focus, there is a need for better natural and cultural resources management. This will require resources – both human and financial – from appropriate agencies such as the Ministry of Northern Development and

Mines and the Ministry of Natural Resources, as well as a more appropriate allocation of resources between resource-based tourism uses and other resource extraction uses such as forestry and mining.

Market Challenges

To effectively develop and launch new resource-based tourism products, it will be important to tie-in closely with market demand. Therefore, the following market challenges are important considerations in the current study:

- **Lack of understanding of market.** The majority of resource-based operators understand their own fishing and hunting marketplaces and many have strategically targeted key US and Canadian markets. However, most operators do not have a clear understanding of the broader marketplace for outdoor adventure, nature-based, ecotourism and cultural tourism products. Analysis of market trends shows that these newer products are very much in demand and this market base is growing significantly.

- **Intensified international competition.** Ontario competes in the global marketplace for tourism. This is also true of Ontario's resource-based tourist operators who have been very successful in drawing international business, particularly from the United States. Visitors who participate in resource-based and other outdoor and ecotourism experiences could do this anywhere in the world, so it is important that we offer international-standard quality products to the right marketplaces.

- **Lack of awareness of Ontario's products.** In some of the traditional markets in the northern United States for Ontario's hunting and fishing product, there is good awareness of what the province has to offer. However, there is limited awareness of the broader outdoor adventure, nature-based, ecotourism and cultural tourism opportunities that Ontario has to offer, and which are nationally and internationally significant. Implementation of a resource-based tourism strategy for Ontario will need to address this awareness issue with an aggressive approach to marketing and packaging.

- **Changing consumer tastes and preferences.** Understanding what's going on in the marketplace is an ongoing process, as continuing changes are occurring in the marketplace, influenced by everything from changing consumer tastes and preferences, to international events such as the devastating terrorist attack of September 11, 2001. In the present study we provide a current understanding of the marketplace, which is relevant to resource-based tourist operators, and an understanding of the ongoing and new trends.

- **Increasing costs of marketing and promotion.** Various types of marketing and promotion continue to increase in cost, particularly any form of media advertising. It is important that operators find cost-effective ways to communicate with the market, including strategic use of the Internet and public relations activities designed to generate free media coverage and interest from prospective target markets.

ADDRESSING KEY ISSUES

Recognizing what has already been achieved by Ontario's resource-based tourism Industry in terms of growth and development, we have addressed the following key issues:

1. **What are the strengths, weaknesses, opportunities and threats relative to resource-based tourism in Ontario?** A SWOT analysis can be the basis for a strategic plan when it concentrates on competitive factors. Later in this document we identify strengths, weaknesses, opportunities and threats, delineating the competitive context in each case, as described in the following paragraphs:
    - **To analyze strengths** in terms of how they can strategically provide competitive advantages for Ontario's resource-based tourism sector and to suggest how strategic actions could protect or capitalize upon these advantages.
    - **To assess weaknesses** in terms of how they create competitive disadvantages, and to suggest strategic actions to strengthen areas of weakness, or reposition the perception of these weaknesses.
    - **To identify opportunities** that could create competitive advantages, and to recommend strategic actions to exploit these opportunities, while adhering to resource-based tourism values and ensuring environmental sustainability.
    - **To define threats** that could reduce competitive advantages, and to assess the risk associated with these threats. Contingency planning that deals with serious threats should be incorporated into the

resource-based tourism diversification opportunities analysis. Indeed, diversifying into additional markets is a key way of reducing threats, which are frequently market segment specific.

2. **What is the extent of market demand for resource-based tourism activities?** The demand for resource-based tourism has a number of key components and sub-markets including some general touring, summer and winter adventures, cultural heritage, and ecotourism. What is the overall demand for resource-based tourism opportunities in Ontario? What are the characteristics of this demand in terms of demographics, locations, and market preferences? How does this demand for resource-based tourism vary across Northern Ontario? What modes of travel is this traveler likely to use? How much are they prepared to spend? What are the trends that are emerging for resource-based tourism?
3. **What is the current state of product development?** Limited availability of market-ready product is a significant constraint to the attraction of visitors for non-consumptive resource-based tourism. Many of the existing facilities and services are dated and in need of upgrading, plus there is a need for new attractions, facilities and services at strategic locations which are a better product-market match than some of the existing infrastructure. A review and analysis of existing resource-based products is, therefore, required. Strategic demand-generating product development, which is in sync with marketplace requirements, is important. What is the supply of existing of product that best matches the identified demands? What are the characteristics of existing products that need to be changed or upgraded in order to tap into this demand? What are the expectations in terms of quality of products and services? What service training is required to meet customer expectations?
4. **How can established businesses take advantage of the new opportunities?** As these new markets are identified, it is important to understand how existing tourist operators can convert their method of operation to take advantage of these opportunities. It is important these businesses be retained, but they must also be linked to outside businesses – for example, package tour companies. There is also a need to maintain authenticity of Aboriginal and non-Aboriginal cultural products, to provide customers with quality experiences, while maintaining traditions and heritages. What are the best ways to further develop

resource-based tourism and have a minimal negative impact on the natural environment in Ontario?

5. **How can products be developed which will reach key target markets?** In an increasingly competitive national and international marketplace it is becoming more and more difficult and expensive to achieve adequate marketplace awareness in key target markets. Effective packaging development and distribution is also a critical issue. This requires a highly strategic approach with a stronger focus on determining what are the most effective ways to reach the different segments of this market demand and what marketing mechanisms promise to provide the best yields.

These and other issues have been addressed during the course of the study process, as appropriate, and are reported on in this document and/or the companion *Product Development Opportunities* document designed to help resource-based operators explore some of these new products and markets.

THREE-PHASE STUDY WORK PROGRAM

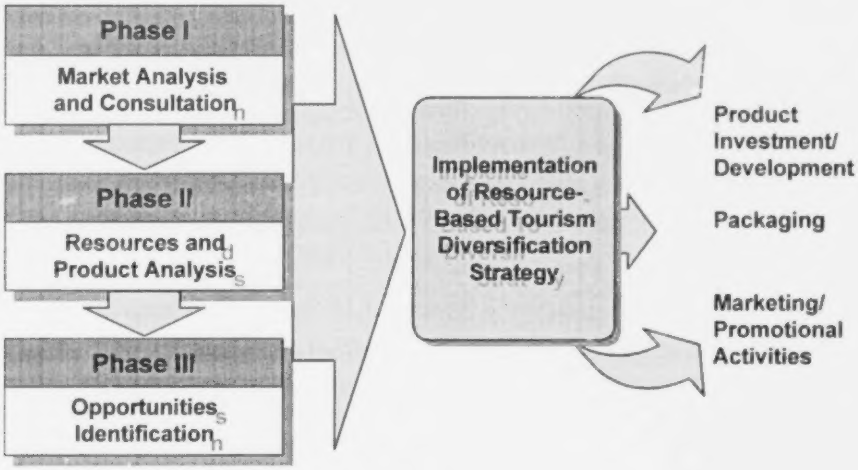
This study was undertaken by Economic Growth Solutions Inc., a management consulting firm that specializes in tourism and hospitality industry studies, as well as broader economic development projects. The firm's principals have extensive experience in Northern Ontario. Working closely with Economic Growth Solutions was a series of additional specialist firms including: Insignia Marketing Research Inc., which undertook a survey of resource-based tourist operators across Ontario; WILD International, a consultancy which specializes in adventure travel and ecotourism, and Commonwealth Historic Resource Management Ltd., which specializes in cultural and heritage resources management and development, and tourist attractions development. Additional advice was provided by Tourism Consulting Associates which has extensive experience with all types of resource-based tourism products.

We have prepared a three-phase work plan for this Resource-Based Tourism Diversification Opportunities Study for Ontario that is designed to address the key objectives of the assignment, as shown in Figure 1.2. In designing our work plan we developed an approach which adhered to the following principles:

- We reviewed and incorporated, where appropriate, any existing plans and activities of the Province and tourism associations related to resource-based tourism.
- Our focus has been on determining market-ready product diversification opportunities.
- As part of the consultation process, we endeavoured to inform stakeholders and potential developers/entrepreneurs in resource-based tourism.
- Throughout the research and analysis process, we compiled, synthesized and analyzed existing information and data, in addition to conducting new primary research.
- We have objectively assessed the best and most strategic resource-based tourism development opportunities for Ontario to pursue.

Later in the study, we identify key catalyst opportunities that will lead to job creation and employment growth, with an emphasis on high value-added tourism, where appropriate, and ensuring that we are encouraging sustainable, ecologically sensitive tourism developments in Ontario's unique and internationally significant environments. Many of these opportunities are explored in more detail in the companion *Product Development Opportunities* document, prepared in connection with this study.

Fig. 1.2 Three-Phase Study Work Program


Phase I
Market Analysis and Consultation
Phase II
Resources and Product Analysis
Phase III
Opportunities Identification
Implementation of Resource-Based Tourism Diversification Strategy
Product Investment/ Development
Packaging
Marketing/ Promotional Activities

Source: Economic Growth Solutions Inc.

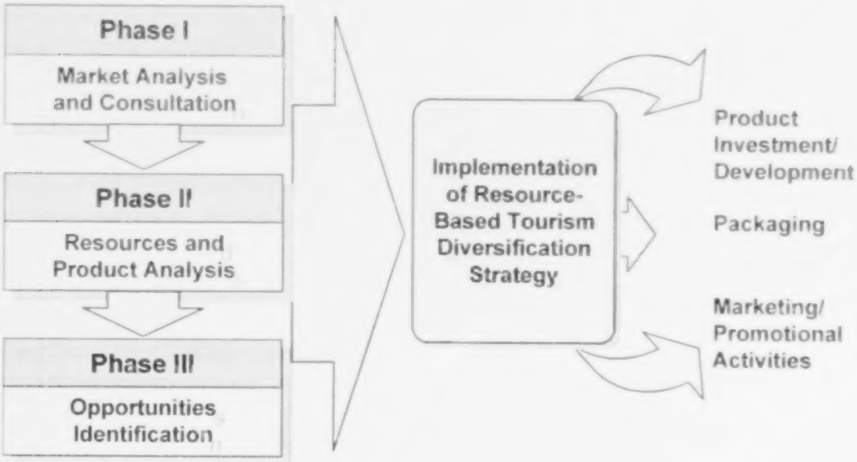
The first phase of the study focused on market and product analysis and extensive consultation with resource-based tourist operators and other stakeholders. In Phase II we undertook a more comprehensive analysis of resources and product, in order to understand the potential of natural and cultural resources for developing new resource-based tourism products, not tied to traditional fishing and hunting activities.

In Phase III, the focus was on identification of resource-based tourism diversification opportunities and various approaches required to implement them and better positioning the Province of Ontario in the national and international marketplaces for outdoor adventure, nature based, ecotourism and cultural tourism activities.

Results of this extensive study, which was undertaken during the summer and fall of 2001, are reported on in the following chapters.

- **Chapter 2 – Situation Analysis.** In this chapter we report on the resource-based tourism industry stakeholder consultations, product analysis, and the results of the tourist operators survey, as well as

Fig. 1.2 Three-Phase Study Work Program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- **Chapter 2 – Situation Analysis.** In this chapter we report on the resource-based tourism industry stakeholder consultations, product analysis, and the results of the tourist operators survey, as well as various regulatory and land use management issues of relevance to the study.

- **Chapter 3 – Market Analysis.** We have made extensive use of national and provincial data to better understand the marketplace, as well as broader ecotourism and cultural tourism trends.
- **Chapter 4 – Resources and Product Potential.** In this chapter we analyze the potential of both the natural and cultural resources base of rural Ontario for enhancing resource-based tourism product opportunities and diversifying significantly beyond traditional fishing and hunting activities.
- **Chapter 5 – SWOT/Opportunities Identification.** This chapter focuses on the SWOT analysis for the study, as well as compiling a long list of product development opportunities, which resource-based tourist operators and communities in rural Ontario can implement to enhance non-consumptive resource-based tourism activity.
- **Chapter 6 –Future Directions.** This summarizes key strategic directions required to enhance the overall resource-based tourism industry, based on both public and private sector initiatives.
- **Chapter 7 – Positioning Ontario in Resource-Based Tourism.** This final chapter comments on Ontario's current status in the marketplace, the competitive positioning of other jurisdictions, and offers suggestions on how Ontario could enhance its overall positioning in the outdoor adventure, nature-oriented tourism, and ecotourism markets.

In addition, we have included Appendices which provide results of the consultation sessions held with resource-based tourist operators, the questionnaire used in the statistical survey of resource-based tourist operators undertaken by Insignia Marketing Research, a list of References used in the research and analysis, plus several case studies of unique resource-based tourism products from outside Ontario.

2 – SITUATION ANALYSIS

This situation analysis is intended to provide an overview of the current status of resource-based tourism in Ontario and is based primarily on extensive consultations with the industry via focus groups, site visits and individual interviews, as well as a comprehensive telephone survey of the operators conducted by Insignia Marketing Research Inc.

This chapter consists of the following major sections:

- Results of Consultations and Interviews
- Results of Resource-Based Tourist Operators Survey
- Principal Issues Raised by Resource-Based Operators

RESULTS OF CONSULTATIONS AND INTERVIEWS

This section of the situation analysis is broken out into the following sub-sections:

- Stakeholder Focus Groups Sessions
- Lodge and Site Visits Undertaken
- Findings from Consultations, Site Visits and Interviews
  - Concerns Regarding Resource-Based Tourism Diversification Program
  - Product and Market Characteristics
  - Diversification into Non-Consumptive Resource-Based Tourism
  - Constraints and Challenges Related to Diversification
- Results of Visits to Parks, Attractions and Info Centres
- Findings from Key Informant Interviews

Stakeholder Focus Group Sessions

Focus group sessions were held with lodge owners, outfitters and other resource-based tourism stakeholders across Ontario. Groups of 6 to 15 attended in 8 locations. Sessions were held in North Bay, Sudbury, Timmins, Moose Factory, Thunder Bay, Fort Frances, Kenora, and Sioux Lookout, according to the schedule shown in Figure 2.1.

We also organized meetings for Southern Ontario operators in Huntsville, London and Peterborough, but they were cancelled because of lack of interest from operators.

Figure 2.1: Schedule of Northern Ontario Focus Group Sessions

Region	Location of Session	Date (2001)
Near North	North Bay	August 9
Rainbow Country	Sudbury	August 27
James Bay Frontier	Timmins	August 23
	Moose Factor	August 24
Algoma Country	Sault Ste. Marie	Meeting cancelled
North of Superior	Thunder Bay	August 13
Sunset Country	Fort Frances Kenora Sioux Lookout	August 14 August 14 August 15

Source: Economic Growth Solutions Inc.

Discussions with a few individual lodge operators were also held in Algoma Country in lieu of the Sault Ste. Marie meeting (nobody could attend). The sessions enabled us to hear the views of all types of operators:

- Small, medium and large
- Young, middle-aged and older business owners
- Recent entrants to the business, and those with long tenures of 10, 20 and 30 years and more.

The mood of the participants ranged from anger to optimism. Many were angry as a result of the difficulties faced by their businesses because of a series of *government regulatory changes or a lack of understanding of their needs.* There was cautious optimism regarding the potential for non-consumptive resource-based tourism products and markets.

The goal of focus group sessions was to obtain broad input on diversification opportunities and challenges from a wide range of stakeholders. The discussion topics included:

- Background on current products and markets
- Diversification into non-consumptive resource-based tourism
- Emerging markets and new product opportunities
- Key constraints and challenges faced in pursuing new opportunities
- Other issues relevant to operators' businesses and the environment in which they work.

Southern Ontario tourism businesses declined to participate in focus groups because of the demands of their businesses in the peak summer tourist season.

- There was also less importance, from their perspective, attached to the Ontario Resource-Based Tourism Diversification Program.
- To a large extent, Southern Ontario resource-based tourist businesses offer a more diverse range of experiences than their northern counterparts.

The consulting team compensated for this by undertaking additional interviews with individual Southern Ontario tourist operators.

Lodge and Site Visits Undertaken

The consultants visited 33 different resource-based tourism operations across Ontario. The objective of the visits was to review the facilities of a cross-section of current businesses and gather first-hand information from lodge owners on opportunities and challenges they face

- We visited resource-based operators in all six NOTAP regions across Northern Ontario.
- We also visited several operators in different parts of Southern Ontario.

The visits ranged from short stops en route between consultation sessions, to in-depth property and facilities reviews and one-on-one interviews with the owners or operators.

The consultants also conducted other site visits to the following types of attractions and facilities, as part of the field reconnaissance:

- Provincial parks
- Heritage sites and attractions
- Tourist information centers.

The lodges and camps visited included the following:

Figure 2.2: Lodges and Camps Visited by Consultants

Region	Lodge
Northwestern Ontario	- Mink Mountain Resorts, Thunder Bay - Lake Kashabowie Lodge, Kashabowie - Camp Quetico, Atikokan - Trails End Lodge, Emo - Totem Resorts, Sioux Narrows - Smith Camps, Kenora - Anderson's Lodge, Sioux Lookout
Eastern Ontario	- Canadian Ecology Centre, Mattawa - K/O Lodge, Deep River - Mountain River Lodge, Deep River - Antler's Kingfisher Lodge, Deux Rivieres - Bob's Lake Cedar Cottages, Lanark
Central Ontario	- The Norseman, Huntsville - G'Kay'Da Wilderness Camp, Britt - Naischoot Lodge, Pointe au Baril

Figure 2.2: Lodges and Camps Visited by Consultants (cont'd)

Region	Lodge
Northeastern Ontario	- Air Ivanhoe/Ivanhoe River Inn, Folyet - Red Pine Lodge * - First Island Cottages - Island Lake Camp, Field - Waltonian Inn - Panorama Camp - Buckeye Camp * - Rainville's Cedar Chalets * - Crane's Lochhaven Wilderness Lodge - Sand Beach Lodge - Crow's Nest Motel - Agnew Lake Lodge - Black Bear Camp - Wilson Lake Resort - Northern Edge Algonquin Retreat and Awareness Centre
North Central Ontario	- Watson's Fly-In Vacations and Watson's Skyways Ltd. (Wawa office) - Whitefish Lodge - Totomenai Lodge, Whitefish Lake

** Brief site visits only*

The consultations, site visits and interviews with resource-based tourist operators and other stakeholders provided a current understanding of the issues and challenges facing the operators and industry as a whole. We have grouped our findings under the following headings:

- Concerns Regarding Resource-Based Tourism Diversification Program
- Product and Market Characteristics
- Diversification into Non-Consumptive Resource-Based Tourism
- Constraints and Challenges Related to Diversification

Concerns Regarding Resource-Based Tourism Diversification Program

Reactions to the Resource-Based Tourism Diversification Program have been mixed. While some operators were pleased about the possible financial assistance available, many lodge owners feel the Program does not recognize their difficulties, and that the assistance is "too little, too late". There was frustration over various regulatory changes:

- Operators expressed a great deal of frustration and anger regarding several regulatory changes imposed by different levels of government which have had profound negative impacts on their business over the last few years, including cancellation of the spring bear hunt, gun registration requirements, boat operator licensing requirements, and changes in snowmobile trail permits.

The operators also challenged the release requirement of the Program:

- We received very negative feedback in relation to this Release requirement.
- In the opinion of operators, the Release requirement ties the Program directly to the cancellation of the spring bear hunt by the Province, for which they then felt the Diversification Program is highly inadequate compensation.

Operators feel that the Diversification Program provides too little capital support:

- The capital assistance offered by the Diversification Program was considered far too low, and perhaps not worth the effort of applying for
- Many operators have no funds they can contribute to a capital project to upgrade their facilities and believe there is very little likelihood of accessing financing even if they wanted to
- In spite of the Program offering a net financial benefit, many operators are lifestyle businesses with limited financial sophistication.

The business planning component of the Program has been developed. There was little apparent support by operators attending the focus groups for the business planning assistance offered by the Diversification Program. However, the vast majority of operators have no business plans at present and many would benefit from having one.

Product and Market Characteristics

The consultants visited a range of resource-based lodge and camp facilities, from modest to deluxe. Current operations offer a range of accommodations and facilities:

- Many lodges require maintenance or improvements that revenues are not supporting
- Smaller lodges and camps tend to face greater financial difficulties to improve their facilities
- Improvements in facilities tends to expand market demand
- Improved living areas, bathrooms and kitchens broadens markets from male fishing groups to family groups and even small meetings, corporate getaways
- Declining revenue and markets results in cutbacks to support/maintenance staff.

Current products focus on fishing, hunting and family vacations. Fishing is the dominant focus for lodges throughout Northern Ontario, but hunting is also still a very important source of revenue. The extended fall hunt has enabled some operators to recoup some of losses from the spring bear hunt.

- Many operators have not been able to replace revenue from the spring bear hunt with other products or markets – spring is typically a tough sell in Northern Ontario for most market segments.
- Family vacations are the most important market in July and August.
- Canoe outfitting is offered by many, but is very competitive and frequently does not make a large revenue contribution.
- Some lodges offer nature-based packages, but these are a small percentage overall.

The current market focus of most lodges and camps is primarily drive-in from Ontario and the border States.

- Canadian Markets are primarily as follows:
  - Ontario, principally drive-in traffic from Southern Ontario
  - Toronto markets tend to go due north, and not to the northwest
  - Manitoba clients visit the northwest.
- International markets include:
  - United States, especially drive-in traffic from border states (primary markets within 10-12 hour drive)
  - Longer haul fly-in US clients are increasing – often escaping the heat of the southern states
  - Small but increasing percentage of international clients, particularly from Germany and the U.K.
    (a much higher yield market)

Marketing activities are varied, but there is still a strong focus on sports shows (although this is declining), along with rapidly growing use of the Internet. Other marketing activities include listings and advertisements in various fishing and hunting and other travel guides, as well as some selective advertising in specialty publications (e.g., *Field and Stream*) in the case of some larger operations.

There are more similarities than differences amongst all the lodges, cabins, and outpost camps across Ontario. Regional commonalities include:

- Emphasis on housekeeping and American Plan options
- Very little packaging product beyond accommodation, meals, boats, and motors
- Fishing as a major activity, guided and unguided
- Many lifestyle operators, so operations are often undercapitalized
- Larger and smaller businesses tend to operate as standalone establishments

- Cooperative efforts within regions produce similar collections of information on lodges for marketing literature
- Regional product differentiation is minimal except for the far north, which is primarily Aboriginal and outpost camp oriented.

The regional differences are defined more by the geographic markets and access than by differences in the products or experiences. Drive-in access and distances from Southern Ontario, Manitoba, and US border states determines the major market differences in each region.

- Southern Ontario and the Near North offer the greatest diversity of experiences to the broadest markets (Domestic, US, International).
- The ease and lower cost of access to Northeastern Ontario gives it a market advantage over Northwestern Ontario for tapping into the large Southern Ontario market.
- Northwestern Ontario likely benefits from a perception of being a more remote wilderness than the Northeast.
- James Bay, Hudson Bay, and Aboriginal experiences offer distinctly differentiated resource-based products, and appeal more to the long distance American or European traveler – the high cost of access discourages Canadian travelers.

Diversification into Non-Consumptive Resource-Based Tourism

Based on our consultations and site visits, it appears that diversification into non-consumptive resource-based tourism has been limited so far. Some lodges can be called "Early Adopters" in terms of diversification into non-consumptive nature-based products and experiences, such as:

- Birding and wildlife viewing
- Canoeing/kayaking

Both smaller and larger lodge operators are attracting individuals and groups interested in nature experiences.

- Packages range from bird watching to photography, art, healthy living and wildlife viewing.

- The early success of OTMP's new programs – *Paddling Ontario* and *Arts in the Wild* – have been encouraging.

Emerging markets and new product opportunities are being considered by some operators. Although it is tough to penetrate new markets, many lodge owners recognize the potential and the need to make a transition.

- Most feel a gradual transition will be necessary
- A significant number of operators, however, still have no plans to diversify.

Emerging market opportunities cited by operators include:

- Mature markets (most "Baby Boomers" now in or entering the 50-plus age bracket)
- Female groups
- International markets, especially Europe.

The markets are changing and visitors are demanding more services and higher quality. There is a need for some quality rating system to be credible in the marketplace.

Potential non-consumptive product opportunities cited by operators included those listed in Figure 2.3:

Figure 2.3: Possible Resource-Based Diversification Opportunities

Possible Non-Consumptive Opportunities

- Offer a range of activities, experiences, itineraries – not just accommodations
- Boreal forest experiences
- Wildlife viewing of various types
- Bird watching
- An average day out on the lake with shore lunch and touring, but without the emphasis on fishing
- Motorized and non-motorized adventures (boating, ATVs, hiking etc.)
- Canoe outfitting made easy
- Wilderness exploration by float plane
- Experiences with Aboriginal groups
- Packages with other operators – cross-selling
- Trails and associated activities
- Conferences and retreats in shoulder seasons
- Integrate history and cultural heritage into resource-based experiences

Source: Comments made by participants at stakeholder focus group sessions

Constraints and Challenges Related to Diversification

Resource-based tourist operators identified many key constraints and challenges they face in pursuing new opportunities. Lodge owners may feel overwhelmed by all the regulatory and market changes, and the magnitude of investment needed to pursue new opportunities – for some, concentrating on successful hunting and fishing may be the better choice. The primary constant is capital financing.

- Financing
  - Access to capital is an ongoing problem in the tourism industry, and especially for resource-based operators
  - Current revenues often preclude the ability to secure financing
  - Insurance is a major concern to protect investments.
- Marketing, promotion and packaging are difficult.
  - It is perceived by operators that much provincial marketing has not benefited the north or recognized distinct areas in the north

  - Northern Ontario's market potential is undervalued/under-promoted
  - Lack of funds for aggressive marketing is a concern
  - Access and remote locations result in high prices and unacceptable travel times
  - It is perceived as being very difficult and expensive for operators to make connections with European market.

- Land tenure, the regulatory environment, and protection of the resource base present several challenges:
  - Permission to access Crown Lands can be difficult to obtain
  - Need long term commitments for access to and use of resources
  - Very difficult or time-consuming to get approvals for activities or infrastructure from various government authorities
  - Land use security is needed to support investments of time and money in developing and maintaining trails and facilities
  - Multiple uses of resources may be incompatible – e.g., forestry vs. quiet escapes; ATV's vs. hiking and canoeing
  - There is a need for standards, certification, or licensing for access to and protection of natural resources
  - Also a need for Green Zones, ecotourism certification, standards of use and behaviour.

Other constraints and challenges identified by the operators were related to human resources, information, expertise and return on investment, as described below:

- **Human Resources issues are significant.** Short seasons make hiring and retaining good staff very difficult. There are sometimes opportunities to hire young, keen international travelers for the short term, or to work with students studying tourism – e.g., Sir Sandford Fleming College.
- **Lack of information/communication and expertise.** Lodge owners lack information and experience in evaluating diversification opportunities. Market and trends information from the Province is often unavailable, difficult to access, or may not be relevant.

- **Returns from diversification perceived as minimal.** Many doubt that revenue from new products and markets can really support diversification. They feel that new products do not offer the high yield of bear hunting. Ecotourists and soft adventure travellers are more demanding than fishing clientele – they require greater investment in infrastructure (from hot tubs to VCRs).

Results of Visits to Parks, Attractions and Info Centres

The consultants visited provincial parks, tourist information centres, historic sites and other sites of interest across Ontario. Information and literature was gathered at several tourist information centres on many communities, lodges, tourist activities, attractions, products and packages.

- Most resource-based operators have some type of brochure/rate sheet available.
- Many of them are very high quality, professionally produced colour brochures that are widely distributed at tourist info centers.

On-site visits to attractions ranged from Kakabeka Falls Provincial Park to Manitou Mounds National Historic Site (Kay-Nah-Chi-Wah-Nung) and the Canadian Bushplane Heritage Centre.

- Short discussions were held with managers and staff, where possible.

Findings of importance to resource-based tourism diversification opportunities include the following:

- Some parks offer packages including accommodation which allow tourists to experience and learn about the natural environment.
- Historic sites may be included on maps and tourist literature, but tend to stand alone as attractions.
- Many sites of historic or other significance rate little more than a short stop, if that. A guide or some interpretation is needed to bring the site to life and make it worth the visit.
- In remote areas of Northern and Northwestern Ontario, sites of interest on long stretches of highway could help improve and animate visitation along touring routes.

- Information in tourist info centres includes brochures and other literature on adventure and ecotourism experiences that are available
  - Information such as canoe routes, hiking trails, and heritage walks was sometimes available
  - The knowledge of staff at tourist centres varied from poor to excellent. Knowledgeable staff can have a strong positive impact on making visitors aware of products, attractions, and facilities. This requires effective recruiting and training.

Findings from Key Informant Interviews

The consulting team conducted interviews with a range of key industry stakeholders. An interview guide was used to gain stakeholders' perspectives on the following:

- The current state of resource-based tourism in Ontario (products and markets)
- Views regarding incremental market potential
- Ontario's natural resource-based tourism strengths
- Opportunities for adventure/ecotourism, and cultural/heritage tourism
- Challenges in resource-based tourism diversification
- Regulatory and other related issues.

The stakeholders contacted by members of the consulting team are representatives from national, provincial and regional organizations including the following, among others:

- Canadian Tourism Commission (CTC)
- Parks Canada
- Tourism Industry Association of Canada (TIAC)
- Aboriginal Tourism Team Canada (ATTC)
- Northern Ontario Tourist Outfitters Association (NOTO)

- Ontario Tourism Marketing Partnership (OTMP)
- Ministry of Natural Resources (MNR)
- Northern Ontario Native Tourism Association (NONTA)
- Northern Tourism Marketing Company (NTMC)
- Regional travel associations (NOTAPs and others).

These stakeholders provided their perspectives on the current state of resource-based tourism in Ontario. Many felt that the resource-based tourism industry has yet to truly capitalize on Ontario's extensive wilderness, lakes and waterways, significant landscapes, and important cultural heritage.

- Much of this is of world class quality, with many areas of national and international significance.
- Several initiatives are underway to raise the profile and value of resource-based experiences in Ontario, including:
  - Paddling Ontario
  - Arts in the Wild
  - Aboriginal Tourism Development Strategic Plan for Northern Ontario
  - FedNor ecotourism initiatives
  - Northern Tourism Marketing Corporation's Summer and Winter Adventures packaging and promotional programs.

These stakeholders felt that Ontario's resource-based tourism strengths are significant. Ontario has the potential to hold a dominant place in wilderness and nature-based experiences compared to any other international destination, because of the following strengths:

- Ontario's lakes and river systems alone distinguish the province from other destinations
- Water – lakes, rivers, waterfalls, ponds, bogs, waterways, watersheds, and the flora and fauna they support
- Water – frozen, drinkable, for swimming, sailing, paddling, diving in, floating on, skiing, skating on

- Forests and forest ecology
- The vastness of the wilderness and remoteness
- Winter and winter experiences
- Enormous natural resources – which surpass those of many destinations around the world.

Opportunities for adventure/ecotourism, and cultural/heritage tourism identified by these stakeholders included:

- Experiential tourism, learning vacations
- Opportunities for partnerships, clusters
- Thematic linkages, packages
- Waterways, canals, cruises, canoe routes, marine conservation areas
- Trails and routes – road, rail, non-motorized
- Packages with transportation as part of the experience
- National Historic Sites, links and programming
- Toronto as the international gateway, as part of the package
- Niche and specialty programs to create a critical mass – e.g., "Arts in the Wild".

Challenges in resource-based tourism diversification identified by those stakeholders included:

- Political support for the tourism use of natural resources (tourism vs. other resource sectors), such as forestry and mining
- Priority/support for resource-based tourism vs. environmental protection
- The need for key partnerships amongst levels of government, industry and non-traditional partners
- The need for multi-stakeholder support, including local communities
- Managing and monitoring tourism and its impacts

- Transportation and access time to remote locations
- Canadians undervalue their own tourism products – often "too cheap" to buy
- Competitive (and higher) pricing to be comparable with international nature experiences such as those offered in Africa and Australia.

ONTARIO RESOURCE-BASED TOURIST OPERATORS SURVEY

The purpose of this tourist operators survey research was to obtain the opinions of Ontario's resource-based tourism operators toward:

- Changes in the industry, including the challenges they face
- Their desire to change, in terms of pursuing new non-traditional resource-based tourism markets
- Ideas for expanding and growing their operations
- The extent of their existing facilities and product offerings.

A telephone survey was conducted by Insignia Marketing Research Inc. among a representative sample from the Resource-Based Tourism database provided by the Ministry of Northern Development and Mines. The database included approximately 1,650 names and addresses of operators. District quotas were established to ensure a statistically representative sample across the province.

- A total of 200 interviews were completed during August, 2001.
- The questionnaire is appended for reference.

Key Findings from Survey

These are summarized briefly in the following paragraphs and then in more detail in subsequent sub-sections of this part of the report.

- **Attitude toward change**. There is broad agreement among Ontario resource based tourism operators that further investment is required in their businesses to survive long term:
    - 74% agree that significant investment is required to keep up.

- 64% claim that they must upgrade their facilities to survive.

However, there is some resistance to change:

- Although the majority (91%) are constantly trying to upgrade their facilities, only one in three (35%) is prepared to "expand their facilities and experiences to attract new types of guests".

◆ **Resistance factors.** It appears that there are three principal barriers to change:

- The perceived difficulty in obtaining financing.
- Government regulations.
- An absence of ideas and direction on what kinds of new activities and experiences to offer in order to attract new types of guests.

However, the majority want to maintain a viable business long-term, so their desire to expand and grow is clearly in place:

- 96% own their own properties.
- 60% do not plan to retire in the next 5 years.
- 42% plan to sell their business eventually, only 3% close it down (most of the rest will pass it on to family – 30%).

◆ **The opportunity.** There are a number of activities/experiences that operators could add or expand upon that do not require major capital investments. Of highest interest to operators are adding:

- Wildlife viewing, birdwatching, photography
- Canoe/kayak rentals/outfitting
- Hiking/walking tours

Snowmobiling is another activity of interest, but operators believe that it would require a larger investment.

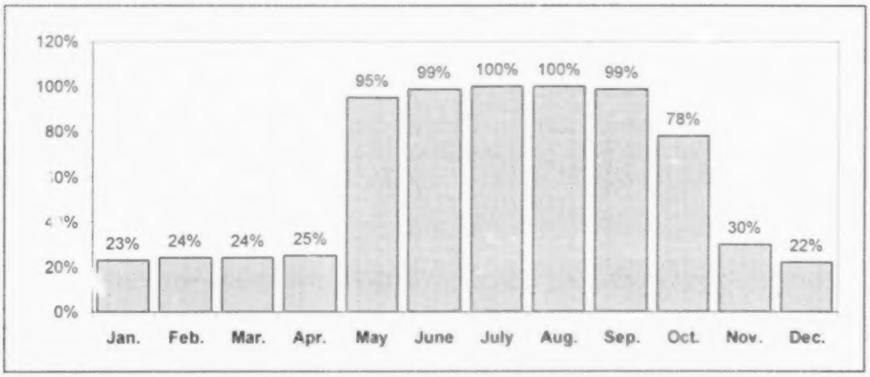
These activities fit very well with the main objectives of most visitors – to experience nature, peace and quiet, and the wilderness way of life, essentially in a non-consumptive manner.

1. Survey Results – Seasonality

While a majority of operators are seasonal operations, almost one-quarter have year-round operations.

1.1 **What months are operators open?** Most resource based tourism operators in Ontario are open from May to October, with only a minority staying open year round. The typical season, then, is about 5 to 6 months, as shown in Figure 2.4.

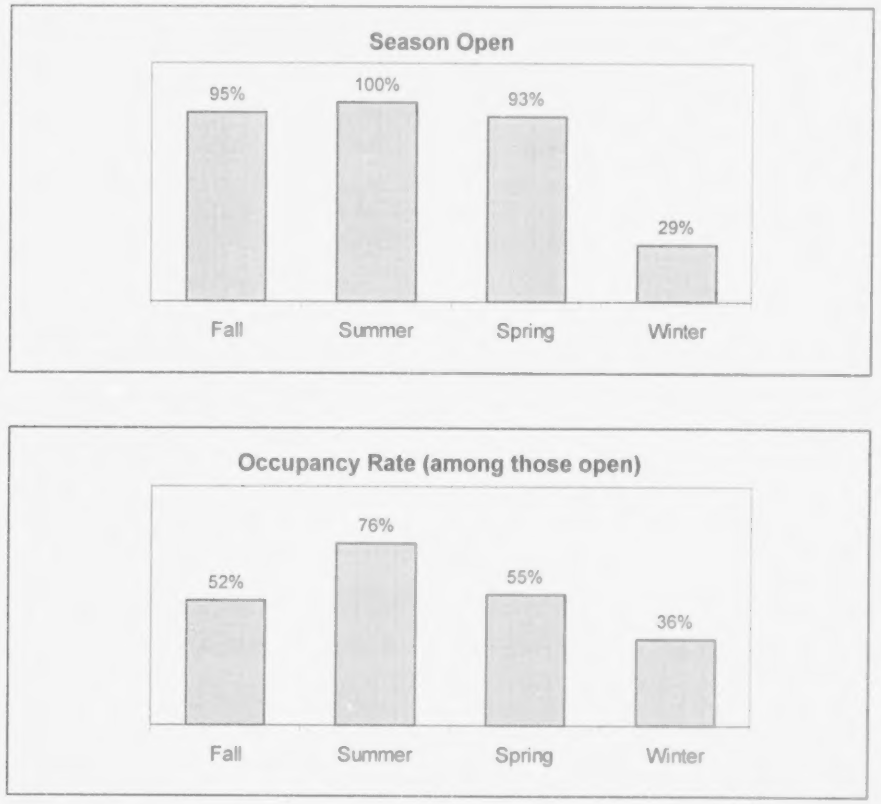
Figure 2.4: Percentage of Resource-Based Operators Open by Month (Q.1)



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

1.2 **What are occupancy rates?** Based on season (with the definition of each season left open to interpretation), most operators are open for at least part of the spring and fall. Only 29% operate during the winter. Occupancy rates during the summer are reasonably high (76% on average). However, clearly there is significant capacity available in the spring and fall where operations are only half full (52% to 55% on average) – see Figure 2.5.

Figure 2.5: Occupancy Rates by Season (Q.28)



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

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2. Survey Results – Visitors Profile

This part of the survey provides an indication of the operators' key target markets.

2.1 **Where do visitors come from?** Ontario and the north central states of Ohio, Michigan, Wisconsin, and Illinois are the five most frequently mentioned sources of visitors to Ontario resource-based tourist operators, as shown in Figure 2.6. It should be noted that these percentages represent the percentage of operators surveyed who noted each of these origins as major sources of business, and not the percentage of business from these markets.

Figure 2.6: Origin Markets Representing at Least 10% of Business to Operators (Q.16)

Origin Market	% of Operators
Canada	
Ontario	62
Manitoba	5
Quebec	3
Other Provinces	6
U.S.	
Ohio	48
Michigan	44
Wisconsin	34
Illinois	31
New York	20
Minnesota	19
Pennsylvania	11
Indiana	9
Iowa	7
Florida	6
Other mentions	23
Other Countries	
Europe	20
Orient/Asia	3
Other	1

Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

2.2 **What types of guests go to Ontario resource-based operations?** Although groups are very important to operators, the family market is also key (see Figure 2.7).

Figure 2.7: Types of Visitors Attracted by Resource-Based Tourist Operators

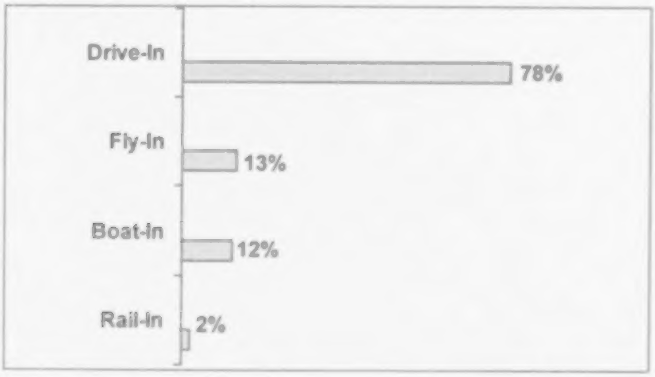
Typical Visitor	% of Operators
Families	62
Male Groups	42
Mixed Groups	37
Couples	26
Singles	18
Female Groups	12
Other	5

Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

The research shows that a majority of the lodge operations are drive-in and most lodges and camps offer cabins/cottages type accommodations, which is generally suitable for attracting a wide range of outdoor-oriented markets. A significant number of drive-in lodges, however, have their own fly-in outpost cabins.

3.1 **How is the site accessed?** Most operations are accessible by road (78%). As shown in Figure 2.8, just over one in ten are fly-in (13%) or boat-in (12%).

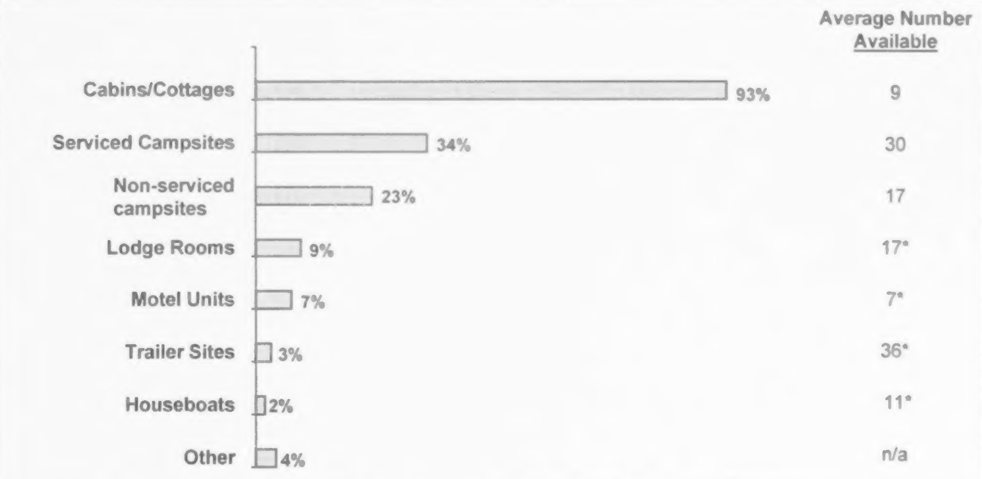
Figure 2.8: Form of Access Normally Used by Guests (Q.27)



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

3.2 **What types of accommodation are offered?** Virtually all operations have cabins or cottages, as shown in Figure 2.9 (93%), with only one in ten having lodge accommodation (9%). Fixed-roof room availability is generally on a small scale – for example, only 9 cabins or cottages on average. A minority have campsites. This scale of operation limits the potential for catering to larger groups (e.g., off-season small meetings and conferences).

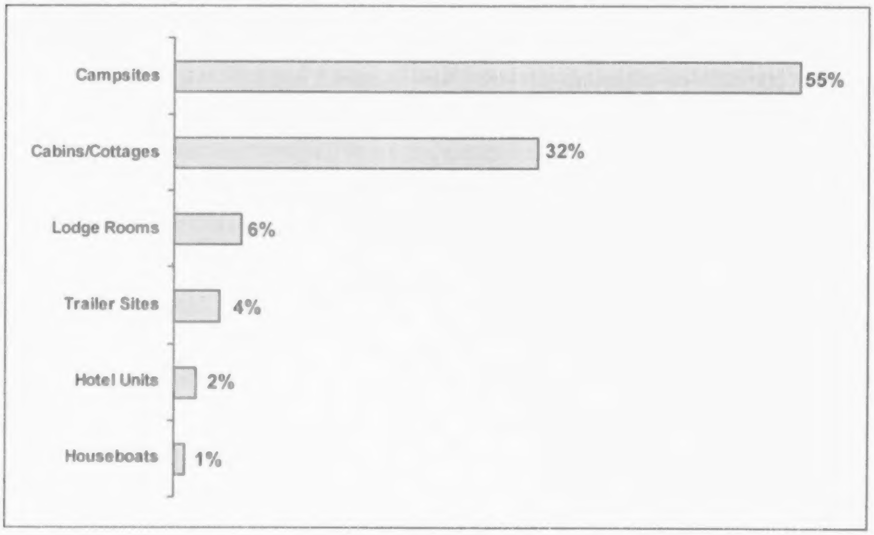
Figure 2.9: Types of Accommodation Provided by Operators (Q.?)



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

3.3 **How does the total accommodation inventory break down?** Even though only a minority have campsites, they actually account for over half (55%) of accommodation available, on a volume basis, as shown in Figure 2.10.

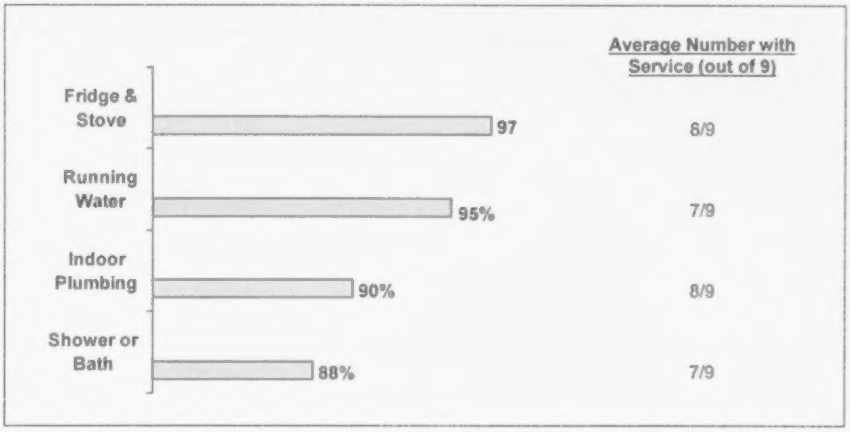
Figure 2.10: Percentage of Total Accommodation Available by Type



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

3.4 **How well equipped are the cabins/cottages?** Most cabins/cottages have hot and cold running water, indoor plumbing and basic kitchen facilities, as shown in Figure 2.11 (7 to 8 out of 9 units, on average). This makes the basic infrastructure available capable of drawing from a broad market base, especially the large families and soft adventure markets.

Figure 2.11 Percentage of Cabins/Cottages with Shower or Bath, Indoor Plumbing, Running Water, Fridge and Stove (Q.2c)



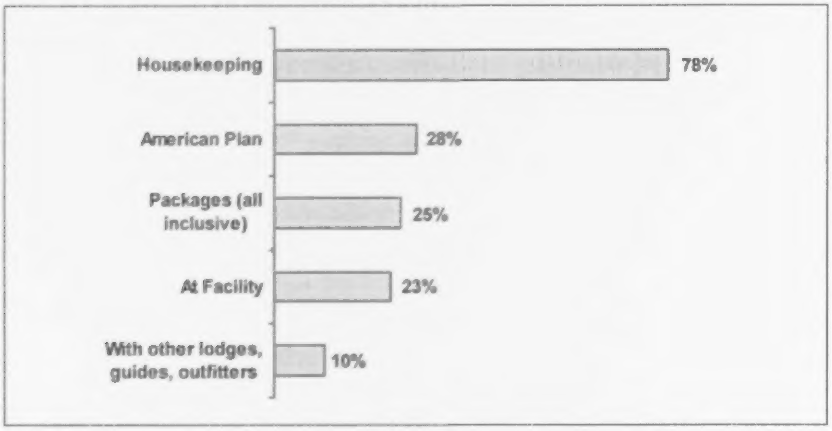
Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

4. Survey Results – Packaging/Pricing

Relatively little comprehensive packaging is done by operators with the majority being housekeeping operations, although there is considerable potential.

4.1 **What types of plans are offered?** Only a minority offer all inclusive packages (25%) or an American Plan (28%), as shown in Figure 2.12. Usually, housekeeping is provided (78%).

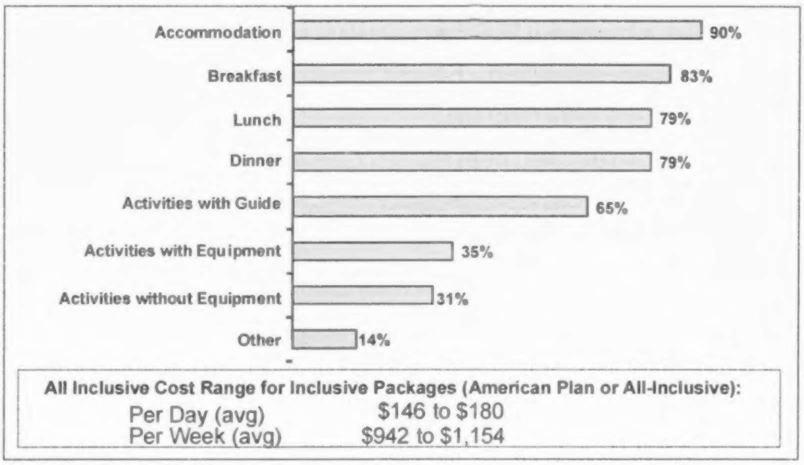
Figure 2.12: Types of Packages/Plans (Q.4)



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

4.2 **What do packages/plans cost?** Typical costs for inclusive packages or American plan are $146 to $180 per night per person ($Canadian), as shown in Figure 2.13. All-inclusive packages often include activities with a guide (65%) as well as meals. The overall average is low because of the large number of lower-end housekeeping operations in the overall inventory. Approximately one-quarter of operators offering packages are in the $200 (Canadian) or more per person per night range, indicating a significant component of high-yield business. These averages reflect the fact that some operators charge in U.S. dollars (figures were converted to Canadian $, prior to computing these averages).

Figure 2.13: Packages Included Features and Costs per Person



All Inclusive Cost Range for Inclusive Packages (American Plan or All-Inclusive):

Per Day (avg)	$146 to $180
Per Week (avg)	$942 to $1,154

Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

5. Survey Results – Activities and Experiences

The purpose of this line of questioning was to understand the broad range of activities being offered by resource-based tourist operators and the overall experiences of their guests.

5.1 **What types of activities are available?** There does not appear to be a great deal of activities offered at these facilities, aside from fishing (79%), as shown in Figure 2.14. Only 1 in 3 (33%) provide hunting or hiking

(32%), 1 in 4 offer canoeing/kayaking (24%), and even fewer offer other activities.

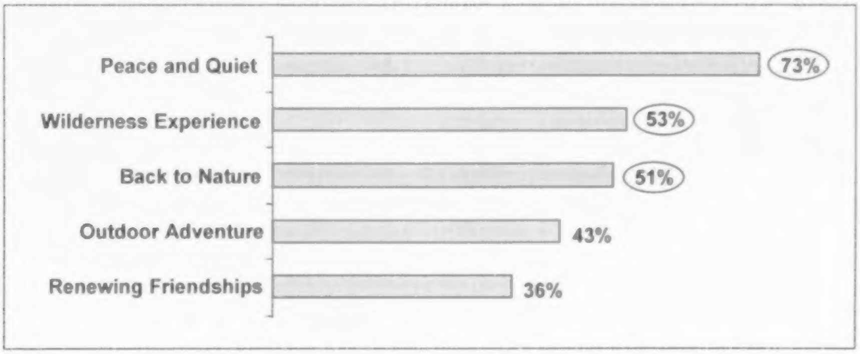
Figure 2.14: Types of Outdoor Activities Available

Activity	Total %
Fishing (Total)	79
Fishing (not specified)	74
Catch 'n Keep	42
Catch 'n Release	41
Swimming/Beaches	35
Hunting (Total)	33
Hunting (not specified)	32
Big Game	26
Small Game/Waterfowl	20
Backpacking/Hiking/Trekking/ Walking Tours	32
Canoe/Outfitting/Kayaking	24
Rest and Relaxation	17
Motor Boating	14
Playground for Children	10
Horseshoes	10
Ice Fishing	9
Wildlife/Birdwatching/Photography	8
Flightseeing/Fly-In Charters	7
Snowmobiling	7
Golf	5
Horse riding	4
Bicycling/Mountain Biking	3
Lawn Games (unspecified)	3
Paddle Boats	3
ATVing	2
Snowshoeing	2
Basketball	2
Whitewater Rafting/River Camping	1
Other	12

Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

5.2 **What experiences are guests looking for?** Guests are primarily seeking the serenity of an outdoor, nature-oriented lifestyle, as shown in Figure 2.15.

Figure 2.15: Kinds of Experience Guests of Resource-Based Operators Are Most Often Looking For (Q.15)



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

6. Survey Results – The Future

6.1 **How do operators perceive their business?** Operators see ecotourism and adventure travel as a growing business. However, many (50%) believe Ontario is losing market share and that it is critical to invest in their businesses to compete and survive long-term, based on the responses shown in Figure 2.16.

Aside from facility improvement there is general belief that more marketing would help generate visitors. The majority of operators are willing to promote their businesses more.

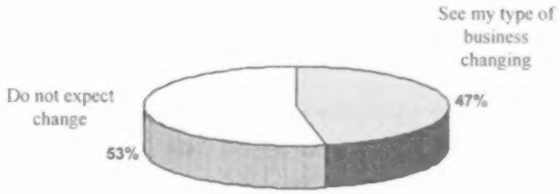
Figure 2.16: Operators' Perceptions of Their Businesses and Resource-Based Tourism (Q.7)

Statement	Agree	Disagree	No Opinion
Ecotourism and adventure travel is a growing business in Ontario	68	19	14
Ontario is losing market share in the resource based tourism industry to other destinations	50	24	26
Resource based tourist operations industry requires significant investment over the next 5 years	74	14	13
I have upgraded my equipment in the past 5 years	91	8	2
My operation must upgrade its accommodation to survive long term	64	34	3
My operation must offer new and different activities to survive long term	46	47	7
More marketing activity would not significantly increase my business	38	56	7
I would be prepared to promote my business in the Central U.S.	74	23	3
I would be prepared to promote my business in the Southern U.S.	60	36	5
Finding qualified staff would be a problem if we expanded our business	56	39	6
I have sent my staff on training courses in the past 5 years	16	78	7

Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

6.2 **Do operators foresee changes to their business?** Only about half (47%) foresee their type of business changing in the future, as indicated in Figure 2.17.

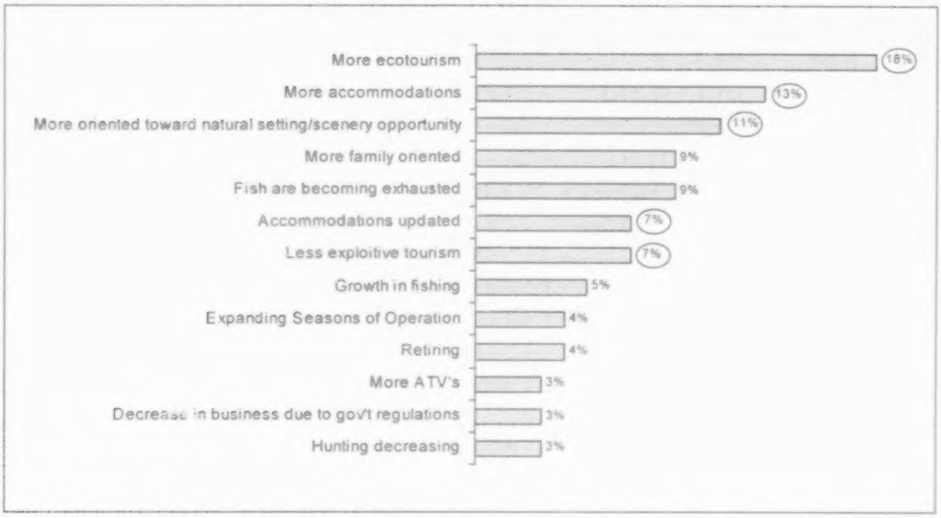
Figure 2.17: Extent to Which Operators Perceive Their Business Changing (Q.8a)



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

6.3 **How will your business change?** Among those who believe that their business will change in the near future, many anticipate growth in non-consumptive ecotourism, as well as more and improved accommodation, as shown in Figure 2.18

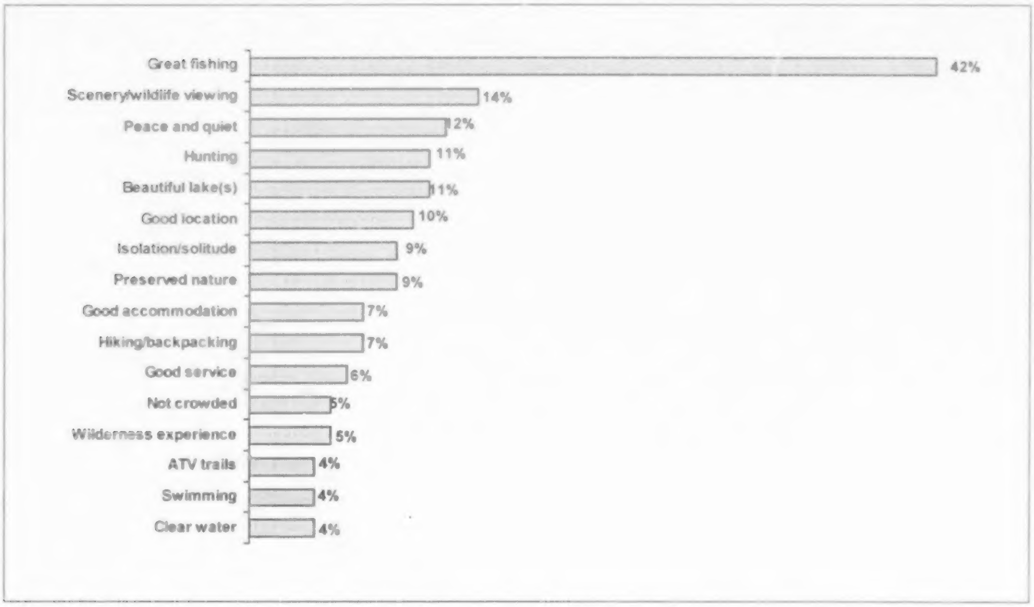
Figure 2.18: Ways in Which Operators Perceive That Their Business Will Change (Q.8b)



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

6.4 **What do you have that could draw more tourists?** Aside from talking about great fishing, operators do not have very many specific ideas as to what more they could offer to attract more guests (see Figure 2.19). Clearly, they could use some guidance and advice in this area, which is the purpose of the companion *Product Development Guide* developed as part o[illegible]s study.

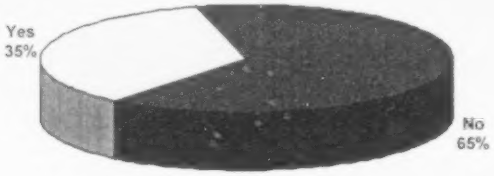
Figure 2.19: Features Or Strengths Of Area That Could Attract New Tourists Over Next 5 Years (Q.9)



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

6.5 **Are operators interested in expanding facilities and experiences to attract new guests?** Even though they recognize the need, only about one in three operators are prepared to expand facilities and/or experiences to draw in new types of guests, as indicated in Figure 2.20.

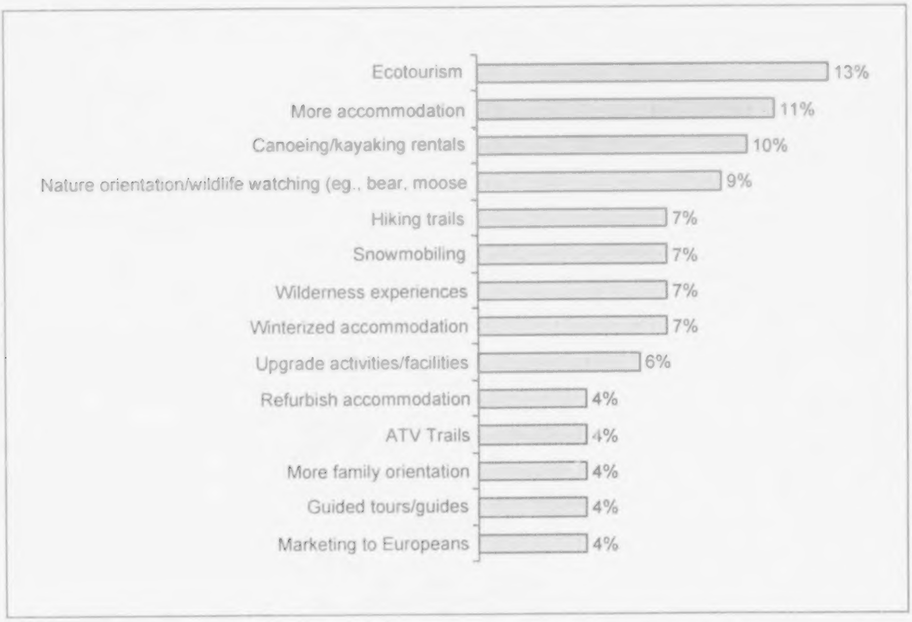
Figure 2.20: Interest In Considering New Experiences, Expanding Facilities, or Attracting New Types of Guests (Q.10a)



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

6.6 **What ideas are being considered to attract new guests?** As indicated in Figure 2.21, those who are considering changes (35%) have some specific ideas including boat rentals, wildlife viewing, hiking trails, snowmobiling and ATV trails, more family activities and guided excursions, as well as upgrading facilities.

Figure 2.21: Kinds Of Experiences, Expanded Facilities or New Types of Guests Operators are Considering (Q.10b)



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

6.7 **What ideas interest operators?** Presenting ideas to operators for attracting visitors elicited a very good response. Wildlife viewing, bird watching, photography, hiking, walking tours, snowmobiling, and canoe/kayak activities all scored high on interest. Many are also very interested in upgrading and expanding their accommodation (see Figure 2.22). Encouraging to them is that some of the activities of interest would not require major capital investments.

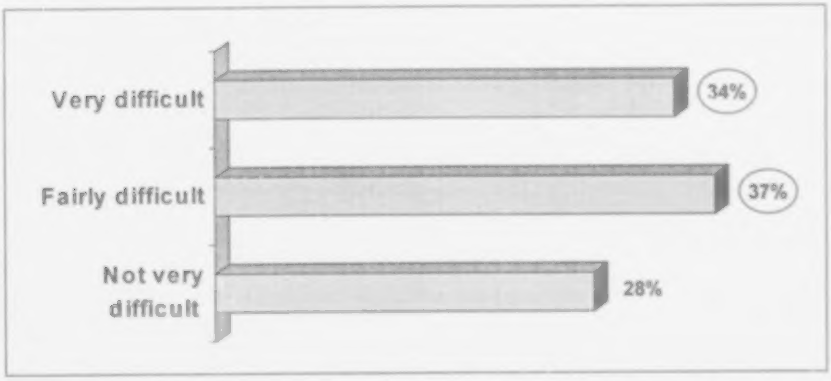
Figure 2.22: Level of Interest in Resource-Based Tourism Diversification Opportunities (Q.11a)

		Perceived Capital Investment		
Top Ten Ideas	**% Very Interested**	**Major**	**Minor**	**None**
Building more cabins/cottages	46	✓		
Expanding lodge/furnishings	44	✓		
Wildlife/birdwatching/photography	41		✓	
Canoe outfitting/kayaking	37		✓	
Winterizing accommodation	34	✓		
Snowmobiling	31	✓		
Backpacking/hiking/trekking/walking tours	30	✓	✓	
Operating earlier in the season	26	✓		
Staying open longer in the season	26	✓		
Offering all inclusive packages	24	✓		
Other Considerations				
Nature interpretation with guide	21		✓	
ATVing	21	✓		
Scuba Diving	20	✓		
Cultural & historical tours	20		✓	
Arts & craft activities	20		✓	
Bicycling/mountain biking	19		✓	
Flightseeing/fly-in charters	16	✓		
Golf	16	✓		

Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

6.8 **How difficult would it be to obtain capital financing?** The majority (71%) believes it would be difficult to arrange financing for improvements, as shown in Figure 2.23.

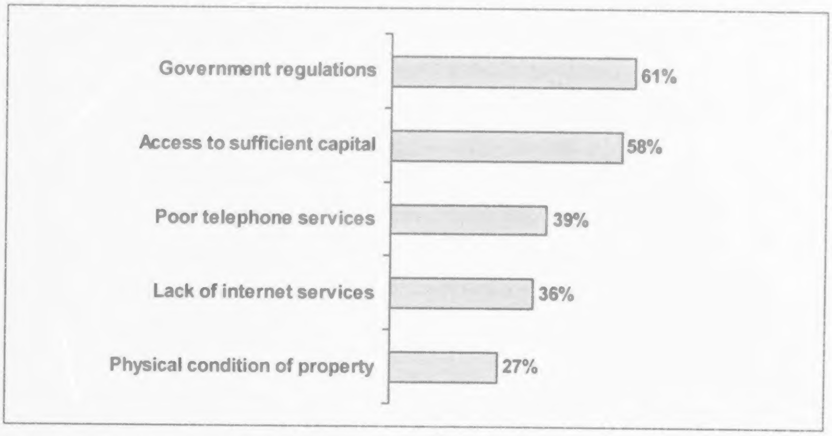
Figure 2.23: Perceived Difficulty in Arranging Capital Financing to Expand Diversity (Q.11c)



Source: Tourist Operators Study conducted by Insignia Marketing Research Inc.

6.9 **What are the major drawbacks to expanding and diversifying?** Government regulations are believed to be a very significant barrier to expanding (See Figure 2.24). Access to capital is another common hurdle cited by operators.

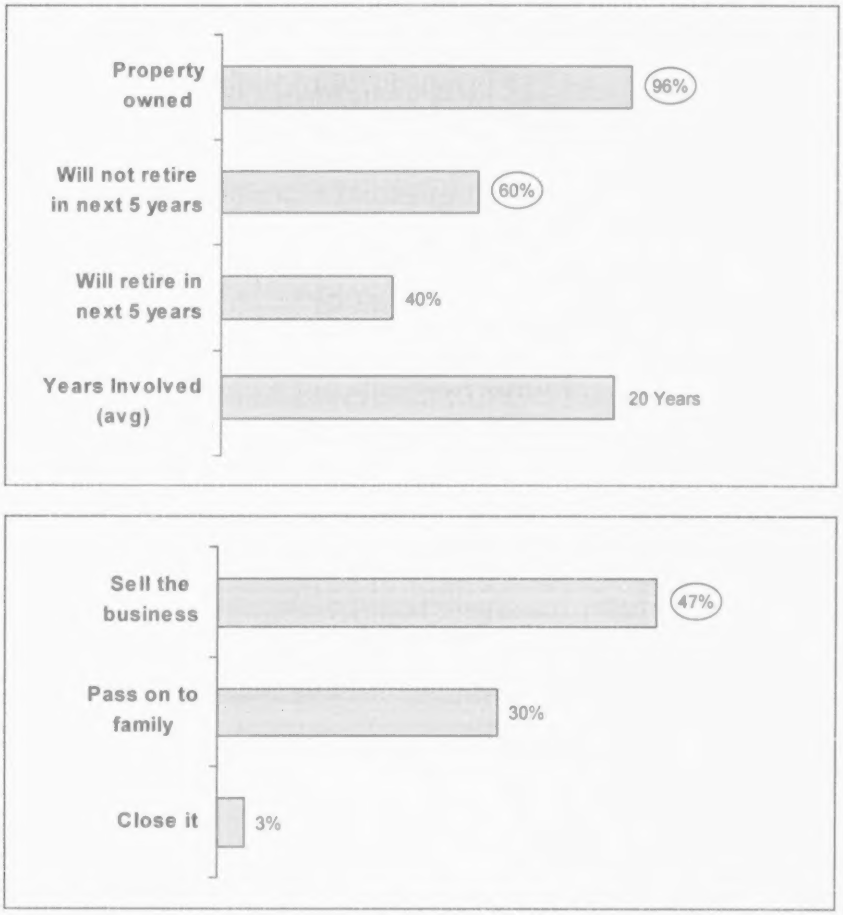
Figure 2.24: Major Barriers to Expanding and Diversifying



Source: Tourist Operators Study conducted by Insignia Marketing Research Inc.

6.10 **What are operators' future business plans?** Very few lease their properties (97% owning) – see Figure 2.25. About half intend to sell their businesses eventually, so maintaining a viable going concern long term is an important business objective.

Figure 2.25: Property Ownership, Years Involved in Business and Future Plans



Source: Tourist Operators Survey conducted by Insignia Marketing Research Inc.

PRINCIPAL ISSUES RAISED BY RESOURCE-BASED OPERATORS

Principal findings from the stakeholder consultations, market research and Tourist Operators Survey fall into several categories:

- Regulatory concerns
- Issues related to capital financing
- Defining new products and marketing them
- Difficulties associated with penetrating new market segments
- Licensing and certification issues
- Issues associated with Southern Ontario resource-based operators

Regulatory Concerns

Regulatory concerns are significant and are affecting the viability of the entire resource-based tourism industry. The spring bear hunt issue is one of several of regulatory concerns that operators claim create uncertainty and discourage investment.

- While many of the operators remain incensed over the process of how the law was introduced and the ensuing loss of business, the majority of operators have reduced the impact by shifting business to the fall bear hunt
- Many operators realize the need to reach out to the new market opportunities, but a wave of uncertainty still surrounds them because of government regulations
- As a result, it is very difficult for the operators to justify new business investments.

Regulatory concerns are wide-ranging and involve different levels of government. A partial listing of key concerns involving regulatory complaints was identified by the tourist operators in the interviews and focus groups:

- Gun controls at the border
- Licensing fees

- Provincial border requirements and fees for snowmobilers
- Gas handling requirements
- Spraying notifications
- Pricing for the purchase and/or long term lease of Crown land and the types of uses permitted

Many of the operators are under the impression that the Ministries of Natural Resources and Tourism are working at cross-purposes:

- While operators understand that the primary mandate of Ministry of Natural Resources is not tourism, they remain apprehensive and guarded about making investments when the Ministry does not clearly recognize tourism as a core objective
- Recently released documents by MNR help to better define relationships between tourism and the province's natural resources base.

Issues Related to Capital Financing

The primary difficulty operators have in pursuing new tourism markets is accessing capital requirements. However, they do realize that making changes to their facilities will make their operations more attractive and marketable to new customers.

- Accessing capital at affordable rates is a problem for all tourism businesses in Ontario
- For those businesses looking to convert or develop new facilities, access to affordable capital depends upon having the necessary collateral to guarantee a loan
- As a result, there is a minimal amount of new capital investment.

The Ontario Resource-Based Tourism Diversification Program has received only minor acceptance within the industry. Many of the issues and requirements associated with the spring bear hunt have clouded the merit of this Program. The Program has also raised concern regarding the limitations of the nominal amount of capital provided, the administration involved with attaining the monies, and the actual financial benefits of the Program.

Some capital financial assistance is currently available via other programs for community infrastructure. There are capital resources available to communities to aid tourist operators in developing a defined package of attractions that could appeal to specific ecotourism and adventure markets.

- The capital resources available in Northern Ontario include: SuperBuild, Northern Ontario Heritage Fund, OMAFRA, and FedNor
- These funds help to finance capital projects, event development and marketing
- If these funding sources are handled in a coordinated and strategic manner, they could help build greater potential for resource-based and cultural tourism.

Aboriginal tourism operators also require capital in order to upgrade their facilities to meet market expectations. Once again, there is potential to offer a varied product and package. However, capital requirements are a key concern as it is difficult for Aboriginal entrepreneurs to accumulate capital – most major initiatives require broader community support.

Defining New Products and Marketing Them

Defining new products and marketing them effectively is a challenge. Initially, defining marketing opportunities in relation to new market segments is a major task for operators. They need better information to do this.

- Most resource-based operators need to develop packages and create opportunities in order to effectively penetrate the marketplace.
- The Internet is increasingly becoming the most cost-effective way to reach diverse markets. Penetration is significant among resource-based operators.
- For operators in remote areas, the lack of telecommunications capability is a disadvantage – although technology advances are helping to mitigate this.

Better market research is needed to help the operators. Existing operators are aware of their situation and market – "they know what they know". They also understand that there has to be a transition to new markets. However, they do not have credible research information about these new potential markets and how to access them.

- Although there is a considerable amount of research data and market information available, the tourism operators are not receiving the necessary information.
- It remains clear that operators are now focused on markets they know well, rather than the markets they would like to pursue.
- However, without the necessary resources or time to pursue the information, many investments are made based on intuition rather than solid research.

The demographics of both the customers and the operators are changing. There is a transition occurring in the base age of the hunting and fishing lodge operators and their customers. This leads to a very conservative attitude to new markets on the part of the owners. As a transition occurs to younger lodge owners, it is reasonable to expect more interest in pursuing new investments and markets.

Difficulties with Penetrating New Market Segments

Fishing will remain the core business for most operators as they make the transition to new markets with appropriate assistance. It is not feasible or realistic to expect a rapid transition to new markets.

- However, transition to the more eco-friendly "catch and release" fishing has been happening with considerable adaptability and speed.
- This transition has created a situation of increased compatibility between fishing operations and new potential markets.

Large game hunting operations will continue to have the most difficulty in establishing compatibility with new market opportunities.

- This remains particularly true where large game hunting is the core business for a lodge.
- One of the key issues for extending the reach of these facilities into new markets is the tone and character of the marketing programs.

- A review of the web site marketing images for the hunting lodges clearly indicates they would not be compatible with many of the new market possibilities.

The ability of many resorts to increase their revenues through higher pricing is difficult because of the perceived value-for-money equation of the consumer. This is particularly true for operators who are located within closer driving distances of the larger and major Canadian cities.

- In these instances, the main competition for accommodation is the private cottage rental market, which generally establishes an attractive and economical price point for the consumer.
- Markets which can identify with a complete accommodation/attraction/ recreation package accompanied with the longer stays are considered by most operators to be a higher yield market – such as the American market.
- American visitors typically spend more for the experience, as they are traveling to a different country, plus the impact of the highly attractive rate of conversion of the American Dollar.

The ecotourism market is still in its early stages of development in Northern Ontario. Lodges that have been successful in pursuing this market have focused on the higher-end market. However, some lodges that have marketed ecotourism have found that it is risky to exclusively rely on this market because of its lack of development.

- It is premature to solely market to ecotourism segments
- The core business generally remains focused on fishing
- The key aspect of ecotourism marketing is the effective way it can extend the market into the shoulder seasons.

New adventure tourism products such as the ATV packages can potentially be problematic from both a tourism and environmental perspective.

- Unsupervised intrusion of these adventures into the wilderness can be quite destructive for sensitive natural environments, so they must be managed carefully.

- In addition, there is a perception that they may not result in much economic impact for the communities.

Another noteworthy issue that affects market penetration is the competition from some localized or "backyard" operators. There are apparently a range of home-based operators that are offering outdoor adventure or ecotour type experiences from their own homes and using Crown resources, but not paying any fees or putting anything back into managing the local area. In many instances they are using the same land area and natural resources base as the established tourism industry. It is likely that the fees are often in cash and may not be reported. Again there is an issue of enhanced natural resources management that needs to be considered.

Licensing and Certification Issues

Licensing and certification are key issues for the industry to address. The current licensing of resource-based tourist operators offers little value to the operator or the consumer. It does not ensure any minimum standard or even conformance to government regulations.

- Rating systems for lodge and camp accommodations will be difficult to develop and have not proven to be effective in the past. It may be appropriate to consider a minimum quality assurance approach. NOTO is examining alternatives.
- Most operators believe that customer-rating systems should concentrate on the quality of the experience rather than the quality of accommodation.
  - However, this is difficult, or impossible, to implement effectively at a practical level.
- There are no ecotourism or adventure tourism standards associated with the existing rating systems used by accommodation properties in Ontario (CAA/AAA and Canada Select).

Issues Faced by Southern Ontario Resource-Based Operators

Southern Ontario resource-based tourist operators have a distinct set of issues. These operators share many similar problems with their northern counterparts, but operators in the south are less reliant on big game hunting revenues for their operations.

- Many operators in Southern Ontario have and continue to rely upon fishing, but the primary market has been, and continues to be, the leisure market.
- Many lodges feature fishing, but this is only part of the overall leisure holiday package that includes a wider grouping of activities.
- For those facilities that relied exclusively on fishing product, conversion to other activities became a "do-or-die" process.

The relatively closer proximity to urban markets has allowed operators in Southern Ontario to experiment with more diverse ecotourism and adventure tourism products.

- The addition of these new products has begun to diversify businesses and increase activities in the shoulder seasons.
- The access to affordable capital is the key factor in slowing down this conversion process.

Southern Ontario also provides operators and communities with access to a day trip market, which is not generally available in the north. This day trip access allows the operators to participate independently or in event packages.

- These activities include: maple syrup festivals, weekend getaway packages, bus tours, walking trails and cultural heritage visits, etc.

* * * * * * * * * * *

The preceding issues identified from the consultation, research and tourist operators survey have provided important ideas and direction for the resource-based tourism diversification opportunities identification process. Combined with the market and trends analysis of Chapter 3, and the resources analysis of Chapter 4, this leads to a wide range of possible resource-based tourism diversification opportunities, which are listed in Chapter 5.

3 – MARKET ANALYSIS

This chapter of the report analyzes the most recent market data in order to better understand the current marketplace, and assess the market potential for new non-consumptive resource-based tourism products. This chapter is broken out into the following four sections:

- Domestic and International Travel to/within Ontario
- Domestic Travel – Regional Patterns within Ontario
- Analysis of TAMS Data
- Relevant Tourism Trends

Each of these four sections provides insight into the market potential for new resource-based tourism products, and is the basis for the target markets referred to in the companion *Product Development Guide for Resource-Based Tourist Operators* developed during this study. Tourist operators can refer to the Ministry of Tourism, Culture and Recreation, OTMP and the CTC web sites for additional and updated market information.

DOMESTIC AND INTERNATIONAL TRAVEL TO/WITHIN ONTARIO

Ontario's Domestic and International Travel Markets reports are based on information gathered by Statistics Canada, under the Canadian Travel Survey (CTS) and International Travel Survey (ITS) reports. The reader should note that information provided from Ontario's Domestic (ODTM) and International Travel Markets (OITM) reports differ from information provided by Statistics Canada reports in a number of ways, such as:

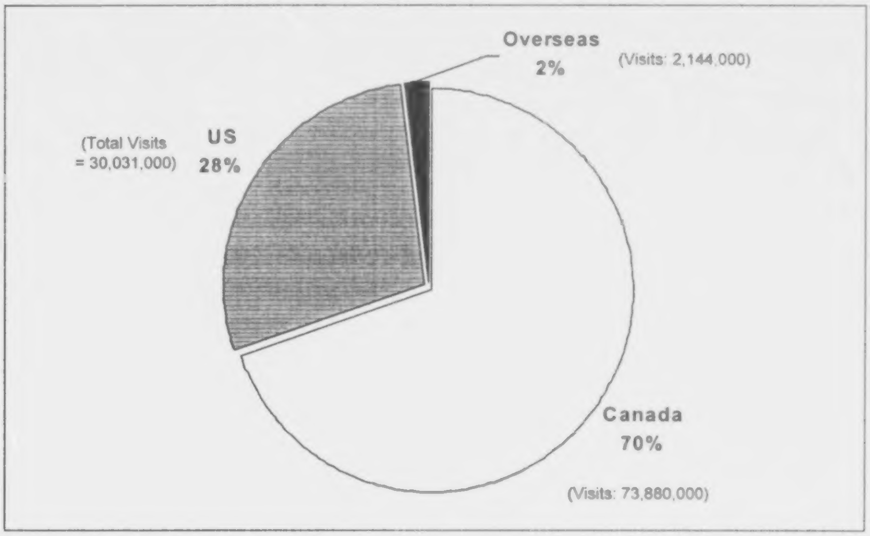
- ODTM: All overnight trips (regardless of distance travelled) and same-day trips with a minimum one-way distance from a respondent's home of 40 km are included in the report
- OITM: Regional information contained in this report differs from data provided prior to 1998, since same-day trips by overnight visitors to Ontario were not included in the database prior to that year

- Since 1999, Statistics Canada started to code these trips
- Therefore, 1999 regional data show a significant increase in same-day visits in comparison to 1996 and earlier reports.

Visitor Origins and Destinations

Over two-thirds of all visits in Ontario originate from within Canada (1999), as shown in Figure 3.1, although the U.S. market is very significant, accounting for almost 30%.

Figure 3.1: Origins of Person-Visits in Ontario, 1999



Source: Ontario Ministry of Tourism, Culture and Recreation

Rainbow Country, Algoma Country, and Sunset Country capture a larger share of person-visits in comparison to other northern regions, as shown in Figure 3.2. Most of the Canadian visitation is from within Ontario itself.

Figure 3.2: Person-Visits in Northern Ontario by Travel Region/Origin, 1999*

Visitor Origin	Near North (000s)	Rainbow Country (000s)	Algoma Country (000s)	James Bay Frontier (000s)	North of Superior (000s)	Sunset Country (000s)
Total Canada	**1,336**	**2,029**	**684**	**946**	**747**	**830**
Ontario	*1,316*	*1,986*	*658*	*862*	*669*	*380*
Rest of Canada	*20*	*43*	*26*	*84*	*78*	*450*
US	**102**	**140**	**1,017**	**49**	**534**	**883**
Overseas	**41**	**38**	**23**	**6**	**15**	**11**
Total by Region	**1,479**	**2,207**	**1,724**	**1,001**	**1,296**	**1,724**

Source: Ontario Ministry of Tourism, Culture and Recreation

* Visitation across the regions cannot be summed to obtain a provincial and international total, due to multi-region stops on a given trip.

Festival country and Southwestern Ontario capture a larger share of person-visits in comparison to other southern regions. Southern Ontario captures more significant visitation from the rest of Canada, particularly to Ottawa and Toronto, as shown in Figure 3.3.

Figure 3.3: Person-Visits in Southern Ontario by Travel Region/Origin, 1999*

Visitor Origin	South-western Ontario	Festival Country (000s)	(000s)	Metro Toronto (000s)	Country (000s)	Ontario East
Total Canada	**9,134**	**12,535**	**9,686**	**13,291**	**9,865**	**13,741**
Ontario	*9,009*	*12,262*	*9,579*	*11,781*	*9,731*	*12,126*
Rest of Canada	*125*	*273*	*107*	*1,510*	*134*	*1,615*
US	**12,545**	**9,768**	**390**	**3,750**	**495**	**2,036**
Overseas	**118**	**896**	**169**	**1,507**	**160**	**568**
Total by Region	21,797	23,199	**10,245**	**18,548**	**10,520**	**16,345**

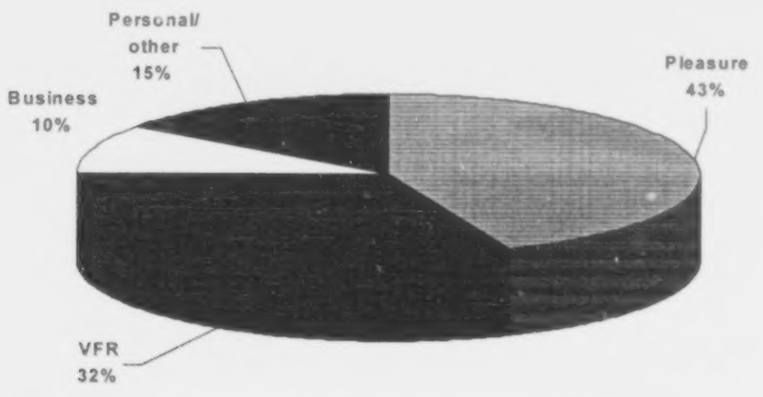
Source: Ontario Ministry of Tourism, Culture and Recreation

* Visitation across the regions cannot be summed to obtain a provincial and international total, due to multi-region stops on a given trip.

Trip Purpose and Activity Patterns

Over 40% of total visits to/within Ontario were made for pleasure purposes in 1999, as indicated in Figure 3.4. This does not include an additional 32% who visit friends and relatives, which is always a large component of overall leisure travel to major population centres.

Figure 3.4: Main Purpose of Visit

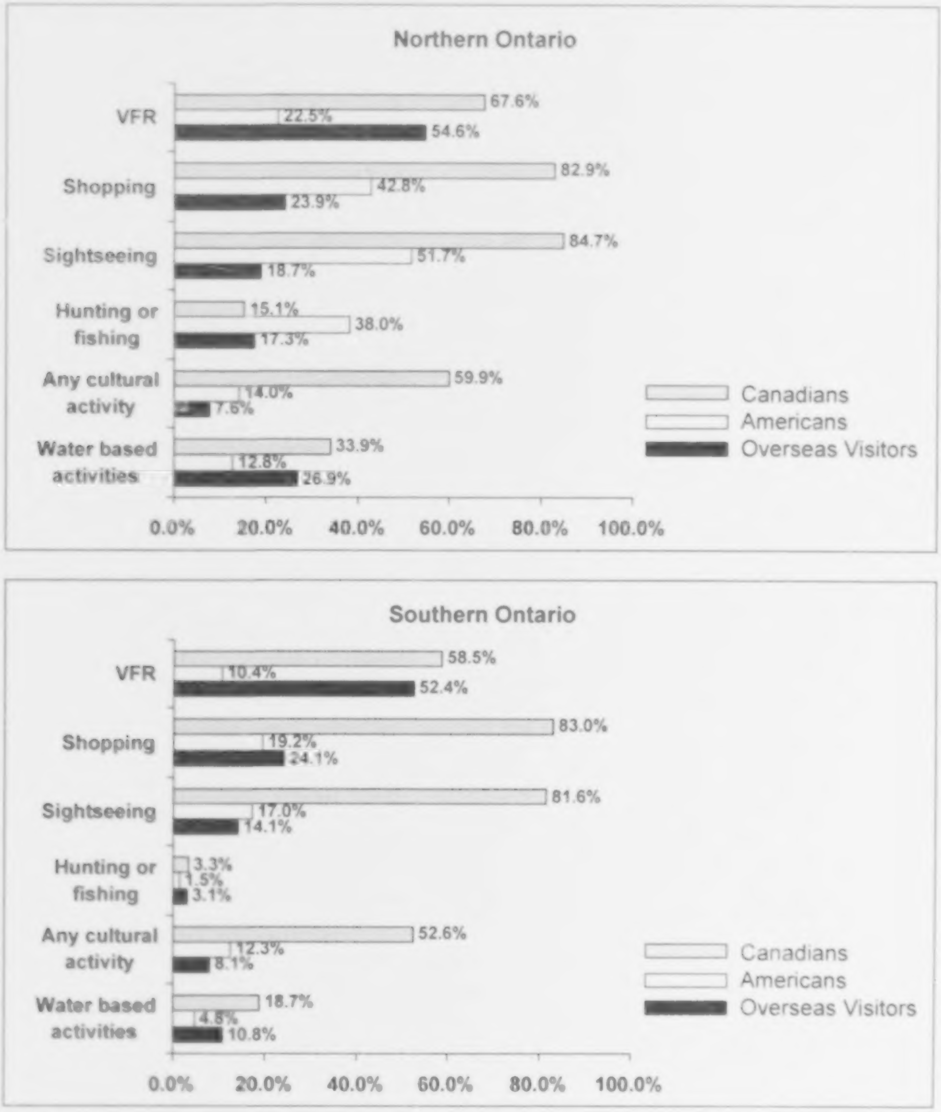


Source: Ontario Ministry of Tourism, Culture and Recreation

Trip activity patterns for Canadians vs. Americans and overseas visitors for 1999 in Northern Ontario, Southern Ontario and the Province overall, are shown in Figure 3.5.

- With the exception of fishing and hunting, overseas travellers are significantly more prone to participate in a variety of different activities while on their trips.
- Participation in fishing or hunting activities in Northern Ontario is more pronounced than for Ontario overall.
- Canadians and overseas residents are more likely to visit friends and relatives while on their trips than Americans.

Figure 3.5: Trip Activity Patterns in Northern and Southern Ontario*



Source: *Ontario Ministry of Tourism, Culture and Recreation*

* Person visits to Northern Ontario is provided in the ODTM and OITM reports (Canada: 6.3 million; US: 2.6 million; Overseas: 112,000).

- Participation in fishing or hunting activities in Southern Ontario is less pronounced than for Ontario overall
- With exception of a few activities, the participation rate in various activities is lower for travellers going to Southern Ontario than for travellers visiting Ontario overall.

Over 40% of overnight visitors to Ontario are Outdoor visitors. The vast majority of Outdoor visitors are from Ontario and the U.S.

Figure 3.6: Overnight Person Visits In Ontario, 1999

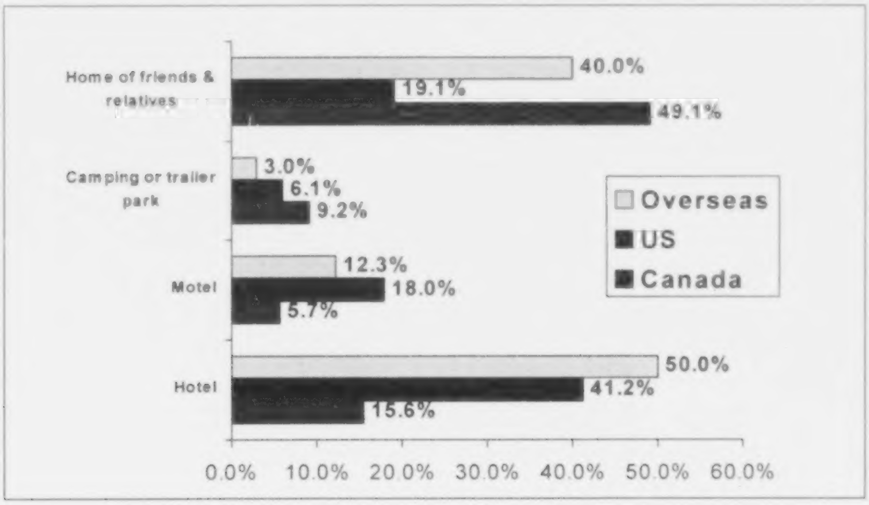
Origin of Visitors	Total Overnight Visitors	% of Total	Overnight Outdoor Visitors	% of Total
CANADA	**30,175**	**75.5**	**12,097**	**75.5**
Ontario	26,887	67.5	11,278	70.4
Quebec	1,685	4.2	270	1.7
Manitoba	512	1.3	299	1.9
Atlantic Canada	363	0.9	66	0.4
Western Canada	728	1.8	184	1.1
USA	**7,792**	**19.6**	**3,293**	**20.5**
Border States	5,294	13.3	2,372	14.8
Michigan	1,661	4.2	652	4.1
New York	1,449	3.6	527	3.3
Ohio	700	1.8	337	2.1
Pennsylvania	484	1.2	238	1.6
Illinois	415	1.0	183	1.1
Minnesota	308	0.8	227	1.4
Wisconsin	277	0.7	188	1.2
Other USA	2,497	6.3	921	5.7
OVERSEAS	**1,875**	**4.7**	**639**	**4.0**
UK	382	1.0	160	1.0
Japan	218	0.5	62	0.4
France	157	0.4	53	0.3
Germany	135	0.3	71	0.4
All Other	983	2.5	293	1.8

Source: Ministry of Tourism, Culture and Recreation – Ontario

Hotels and homes of friends and relatives are most commonly used for overnight stays, as indicated in Figure 3.7.

- Motels are more likely to be used by overnight visitors from the US and overseas than from Canada.
- Camping or trailer parks are not as popular as other types of accommodation, but more appealing to Canadians than to Americans and overseas travelers.

Figure 3.7: **Overnight Person-Visits, by Type of Accommodation Used and Origin, 1999***

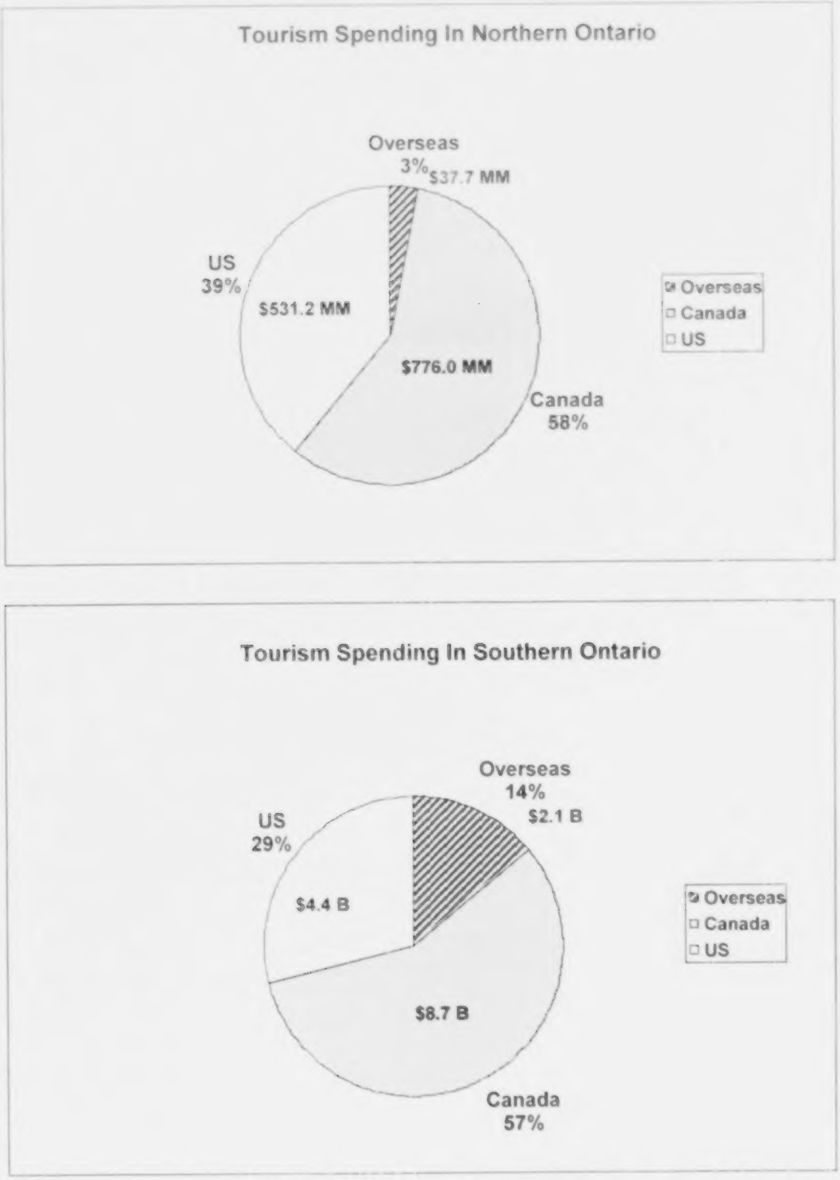


Visitor Spending Patterns

Domestic travel generated the largest share of tourism spending in Ontario in 1999, as shown in Figure 3.8, although U.S. visitors spend more per capita.

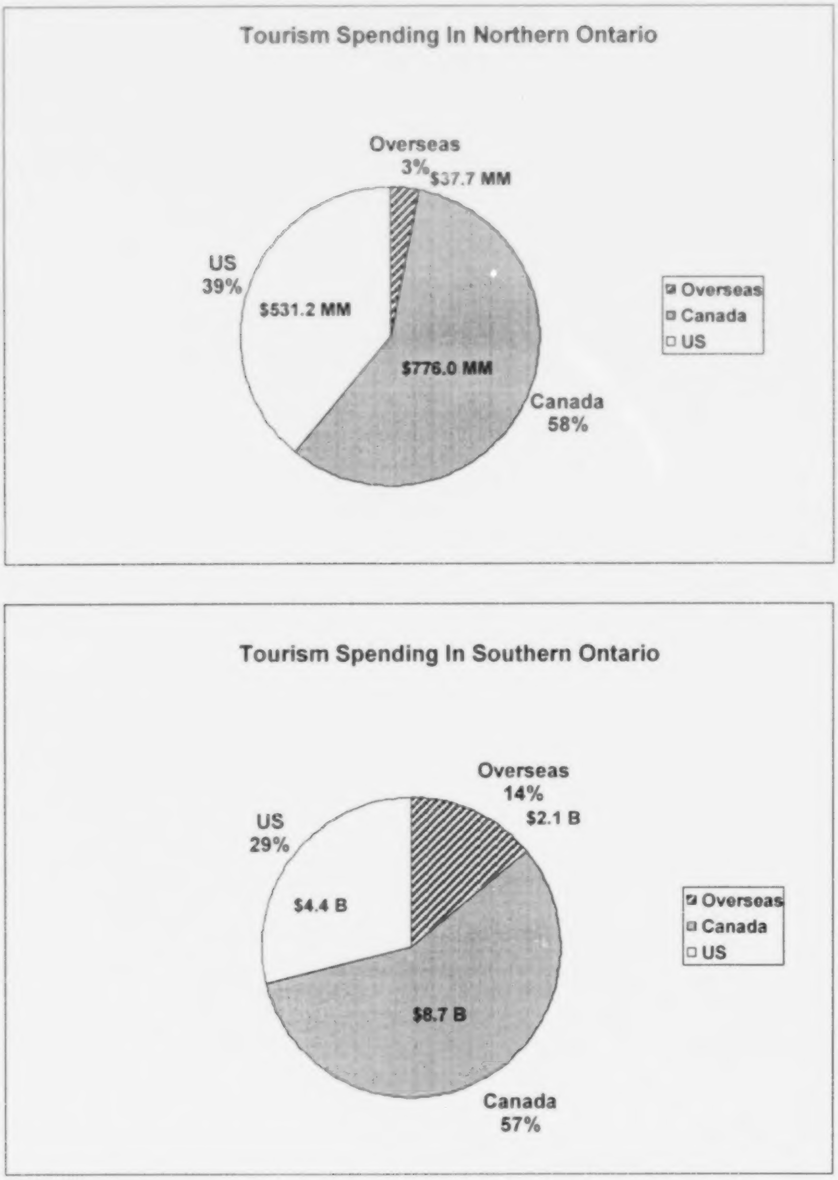
- U.S. expenditures are more important for Northern Ontario than for Southern Ontario.

Figure 3.8: Tourism Spending by Origins



Source: Ontario Ministry of Tourism, Culture and Recreation

Figure 3.8: Tourism Spending by Origins



Source: Ontario Ministry of Tourism, Culture and Recreation

- Percentages are based on actual revenues generated in Northern and Southern Ontario. Approximately $18.2 million could not be assigned to either travel region.

◆ US expenditures are less important for Southern than Northern Ontario, but overseas more important

DOMESTIC TRAVEL – REGIONAL PATTERNS WITHIN ONTARIO

More comprehensive data is available on visitation travel patterns within Ontario for domestic travellers (from anywhere within Canada), which provides an indication of the importance of specific market origins to various destination regions, as well as visitor activity patterns.

Domestic Visitor Origins and Destinations

An overwhelming majority of visits in Ontario are generated by Ontario residents, as shown in Figure 3.9.

◆ Over one-half of all visits are same-day visits (almost 60%) dominated by Southern Ontario (e.g., Niagara Falls)

Figure 3.9: Person-Visits in Ontario, 1999*

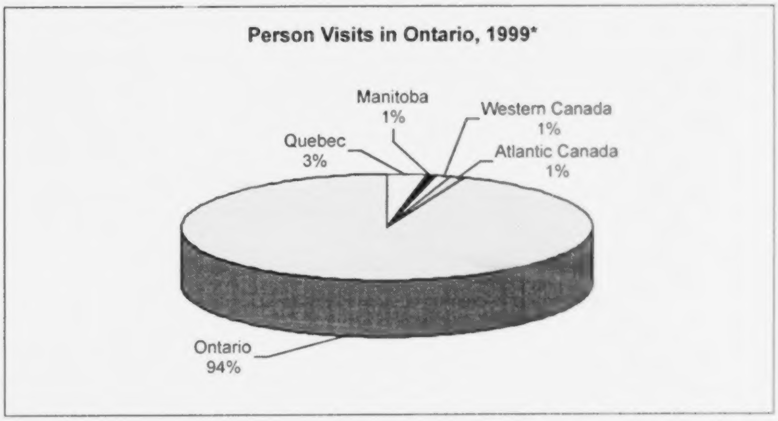
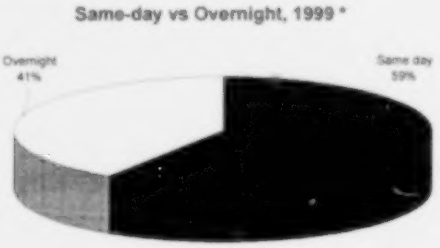


Figure 3.9: Person-Visits in Ontario, 1999* (cont'd)



Source: Ontario Ministry of Tourism, Culture and Recreation

* Person-visits in Ontario: 73,880,000.

Five of the twelve travel regions recorded minimal to moderate increases in travel volumes between 1998 and 1999, as shown in Figure 3.10. Between 1996 and 1998 some regions showed growth, while others experienced a decline.

Figure 3.10: Total Person Visits in Ontario by Travel Regions Visited, 1996-99

Regions Visited	1996 (000s)	1998 (000s)	1999 (000s)	% Change 1996-1998	% Change 1998-1999
Southwestern Ontario	10,811	91,54	91,34	-15.3	-0.2
Festival Country	12,420	12,709	12,535	2.3	-1.4
Lakelands	8,724	9,300	9,686	6.6	4.2
Metro Toronto	14,203	13,177	13,291	-7.2	0.9
Getaway Country	9,850	9,926	9,865	0.8	-0.6
Ontario East	11,950	12,707	13,741	6.3	8.1
Near North	1,089	1,316	1,336	20.8	1.5
Rainbow Country	2,250	2,073	2,029	-7.9	-2.1
Algoma Country	830	718	684	-13.5	-4.7
James Bay Frontier	1,275	1,525	946	19.6	-38.0
North of Superior	681	793	747	16.4	-5.8
Sunset Country	759	768	830	1.2	8.1

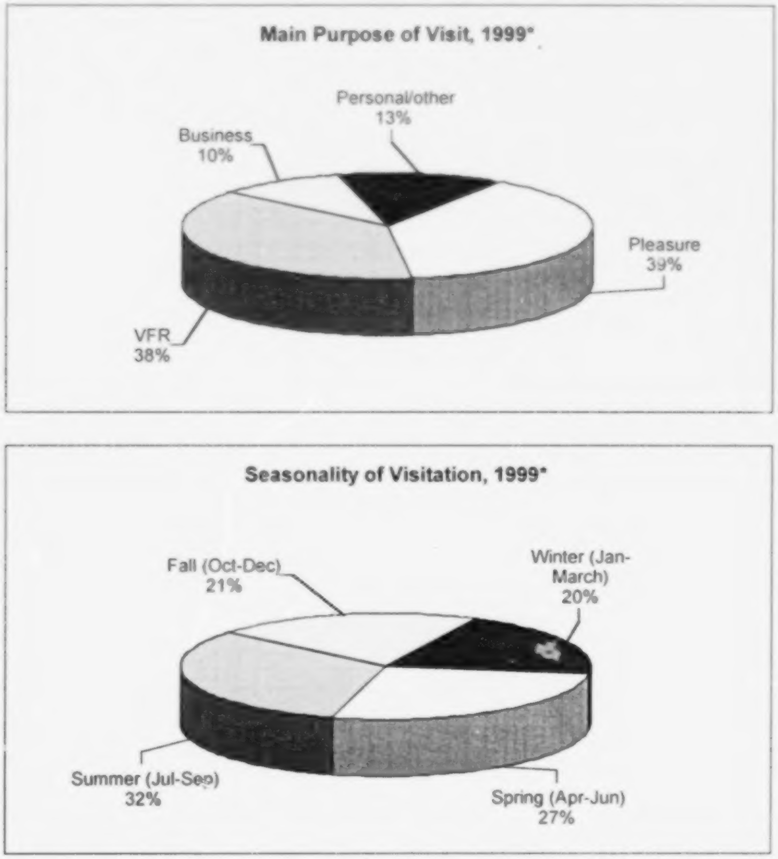
Source: Ontario Ministry of Tourism, Culture and Recreation

* Visitation across the regions cannot be summed to obtain a provincial total, due to multi-region stops on a given trip.

Domestic Visitor Travel Patterns

Pleasure and VFR constitute over two-thirds of all visits, with visits concentrated in the spring and summer seasons, as shown in Figure 3.11, where 57% of all visits occur between April and September.

Figure 3.11: Trip Purpose and Seasonality

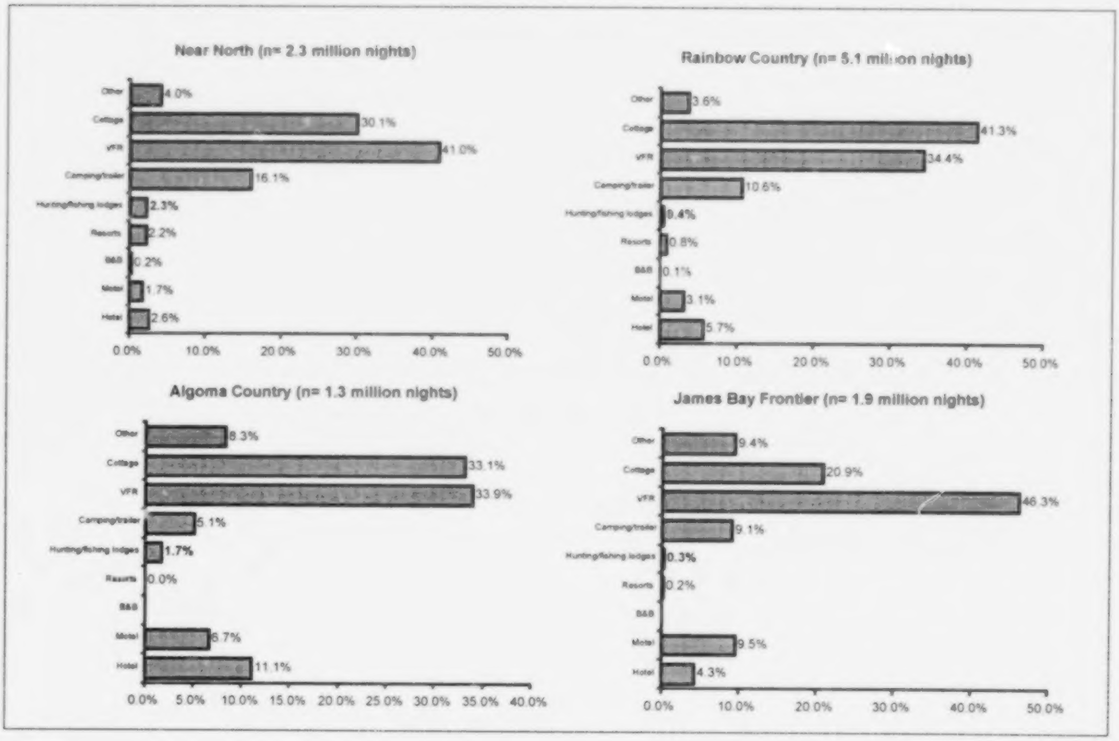


Source: Ontario Ministry of Tourism, Culture and Recreation

* Person-visits in Ontario: 73,880,000.

In Northern Ontario the prevalent accommodations used are staying with friends and relatives, along with cottages/cabins (see Figure 3.12). The latter would include both private cottages and those at resource-based tourism operators' establishments and other resorts.

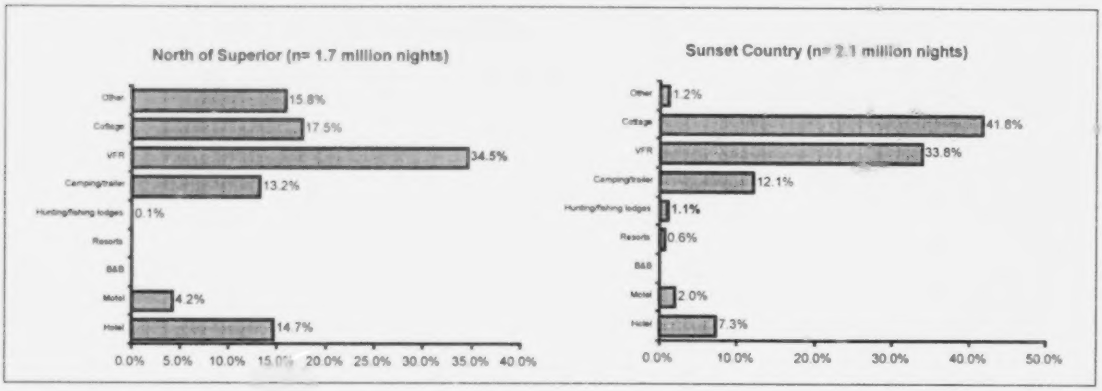
Figure 3.12: Accommodation Preferences by Region in Northern Ontario



Source: Ontario Ministry of Tourism, Culture and Recreation

- * Based on person nights. A person night is described as "a night spent away from home by a person taking a trip. If 2 persons take a trip involving 3 nights away from home, that counts for 6 person nights".

Figure 3.12: Accommodation Preferences by Region in Northern Ontario (cont'd)

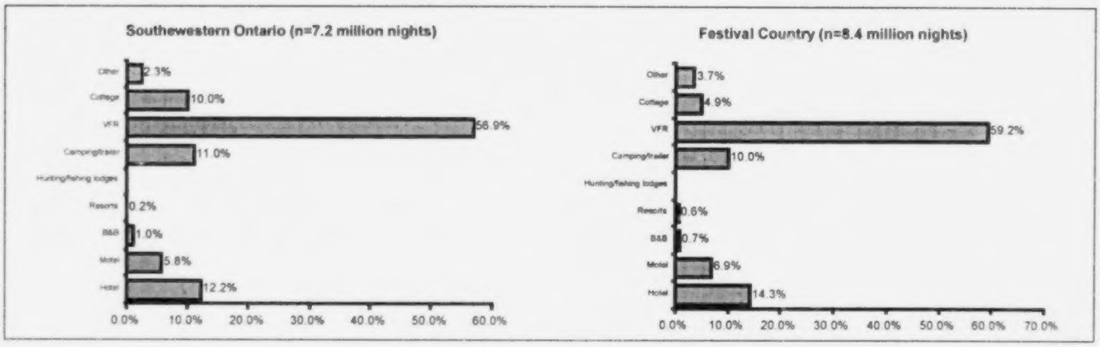


Source: *Ontario Ministry of Tourism, Culture and Recreation*

- Based on person nights. A person night is described as "a night spent away from home by a person taking a trip. If 2 persons take a trip involving 3 nights away from home, that counts for 6 person nights".

In Southern Ontario, staying with friends and relatives accounts for an even higher proportion of total visitation, as shown in Figure 3.13. Cottages are popular in the Lakelands travel region which encompasses Ontario's prime cottaging country.

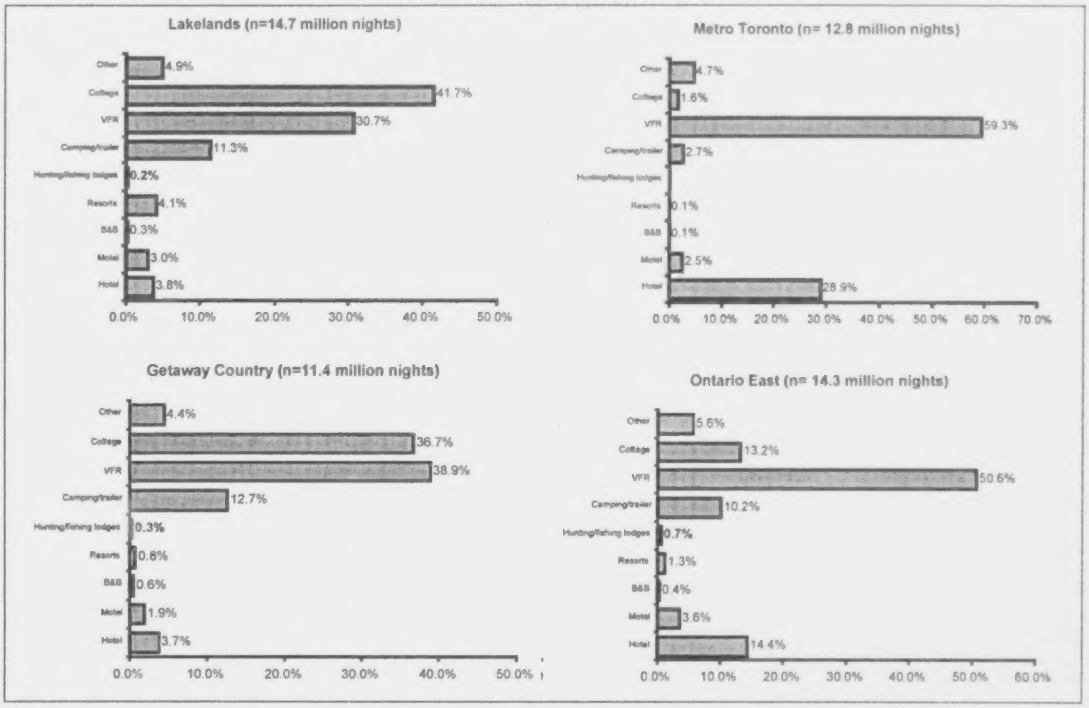
Figure 3.13: Accommodation Preferences by Region in Southern Ontario



Source: *Ontario Ministry of Tourism, Culture and Recreation*

- Based on person nights. A person night is described as "a night spent away from home by a person taking a trip. If 2 persons take a trip involving 3 nights away from home, that counts for 6 person nights".

Figure 3.13: Accommodation Preferences by Region in Southern Ontario (cont'd)



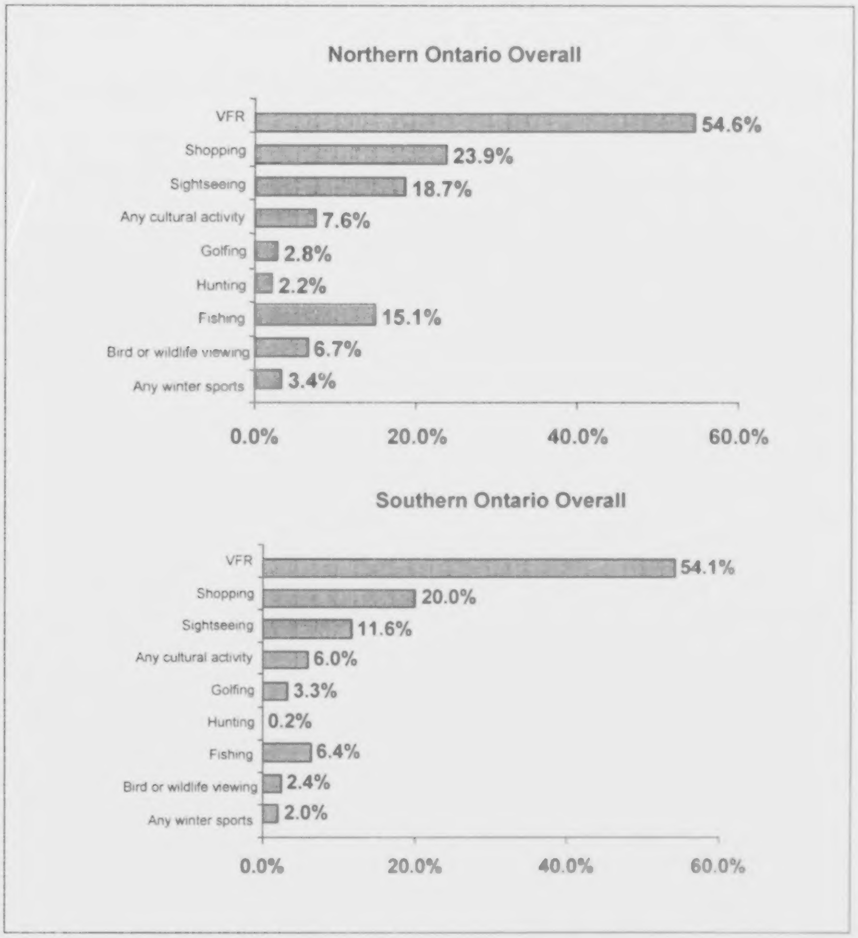
Source: Ontario Ministry of Tourism, Culture and Recreation

* Based on person nights. A person night is described as "a night spent away from home by a person taking a trip. If 2 persons take a trip involving 3 nights away from home, that counts for 6 person nights".

Domestic Visitor Activity Preferences

Various activities which domestic visitors participate in are reported on in Figures 3.14, 3.15 and 3.16. This shows the overall and regional activity patterns of domestic visitors, indicating the importance of visiting friends and relatives, shopping, and sightseeing activities.

Figure 3.14: Activity Patterns in Northern vs. Southern Ontario

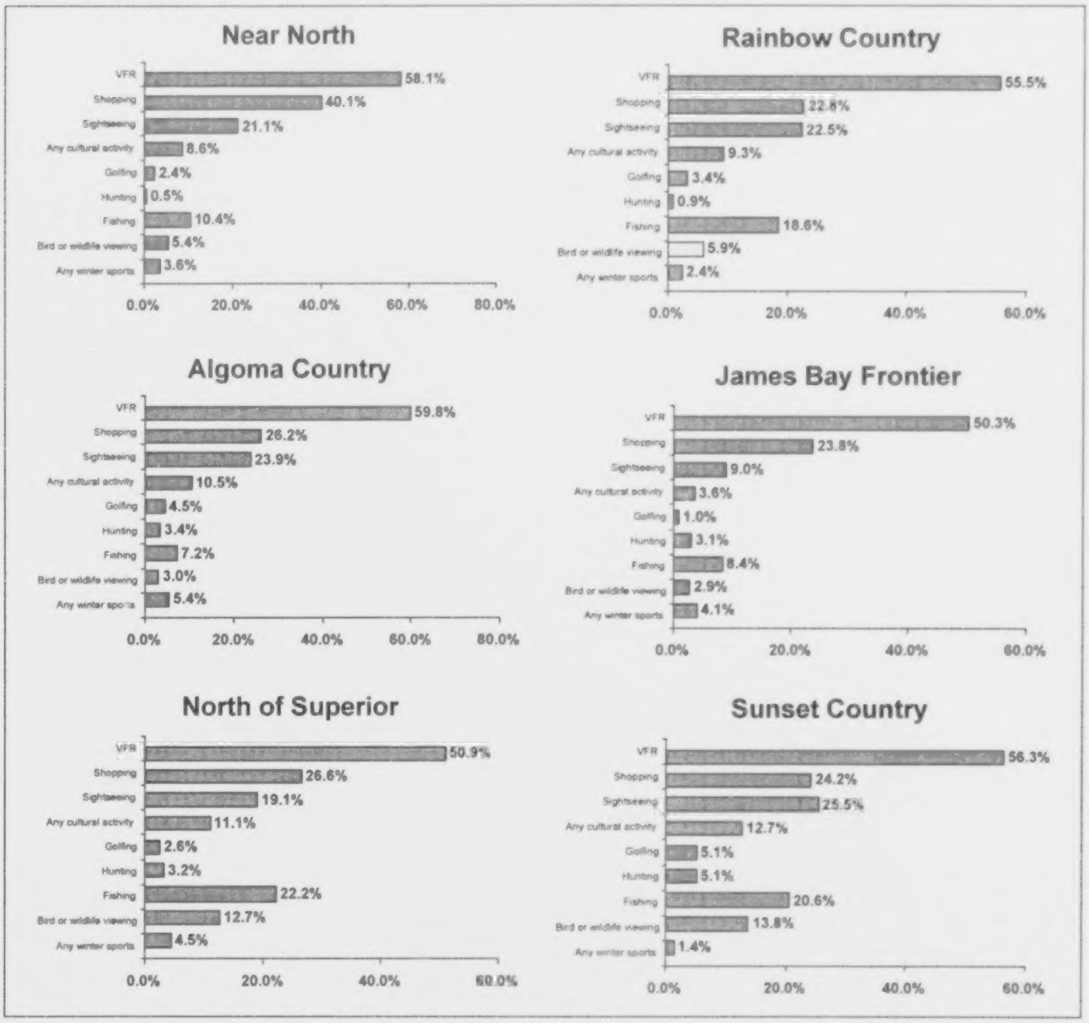


Northern Ontario Overall

Southern Ontario Overall

Source: Ontario Ministry of Tourism, Culture and Recreation

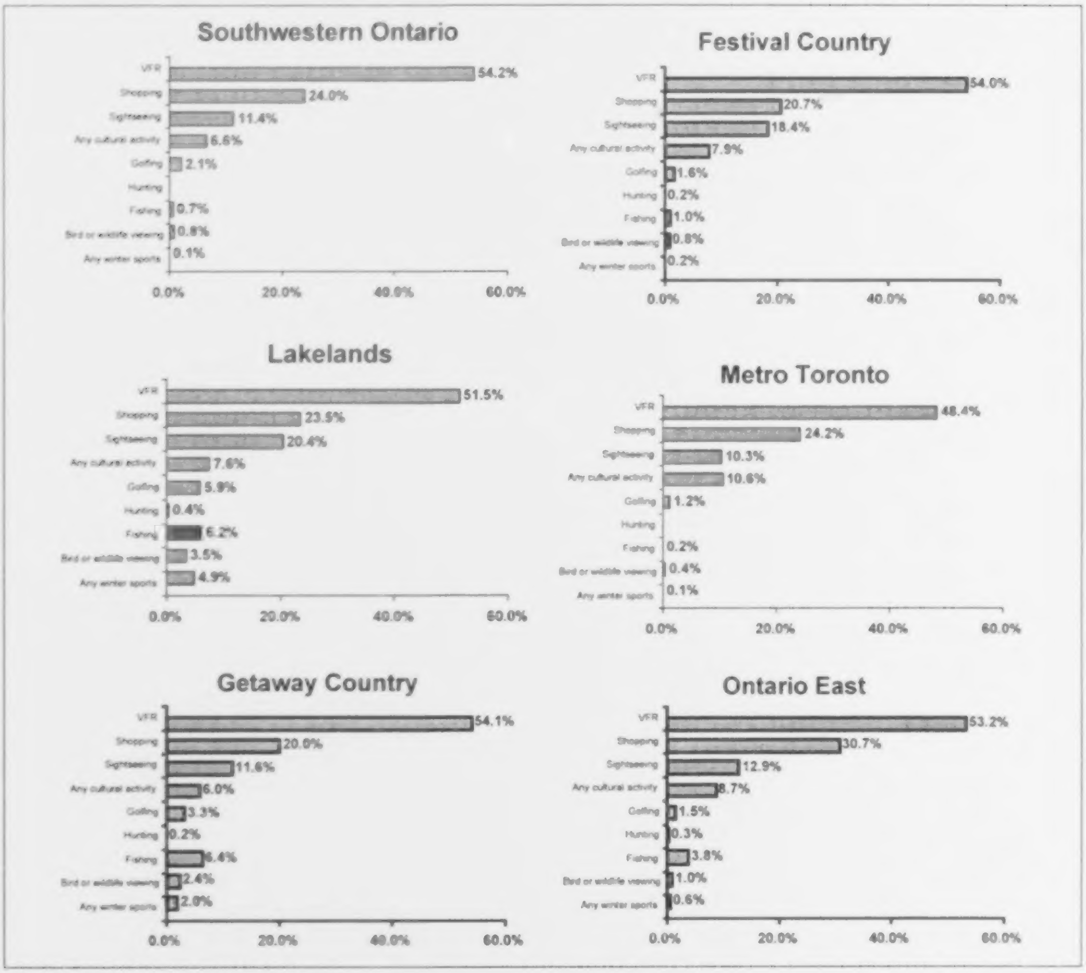
Figure 3.15: Northern Ontario Visitor Activity Patterns by Region, 1999



Source: Ontario Ministry of Tourism, Culture and Recreation

Southern Ontario visitor activity patterns by region visited also show the strong importance of visiting friends and relatives (Figure 3.16).

Figure 3.16: Northern Ontario Visitor Activity Patterns by Region, 1999



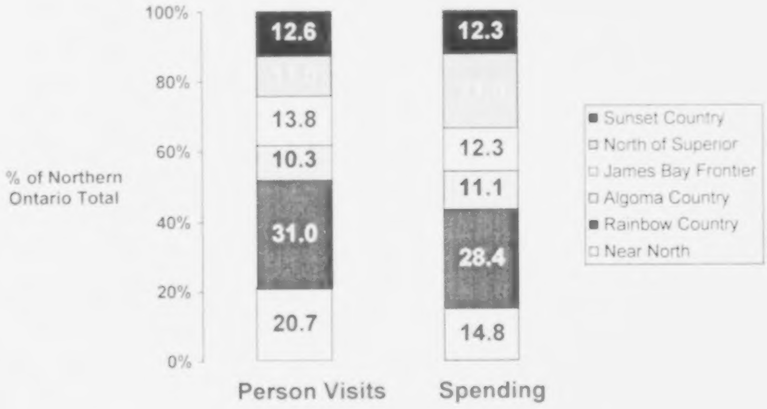
Source: Ontario Ministry of Tourism, Culture and Recreation

Visitation Volume Compared with Visitor Spending

Larger domestic visitation volume to specific OTAP regions does not necessarily mean larger travel expenditures, as shown in Figure 3.17. In some regions spending is proportionately larger than the number of visitors and vice-versa.

Figure 3.17: Visitation Volumes Compared with Expenditures

Northern Ontario



Southern Ontario

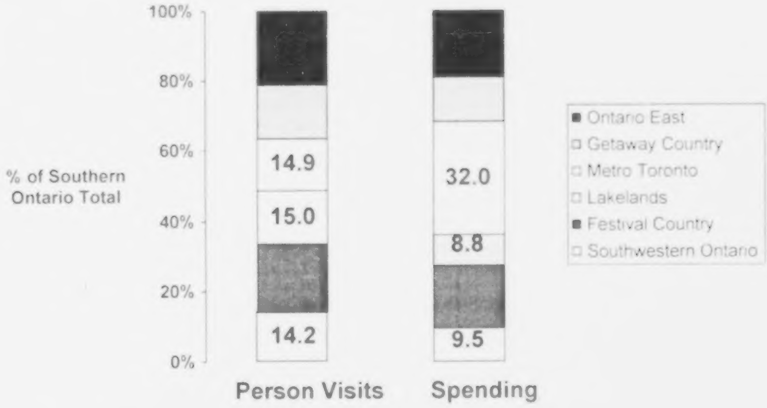
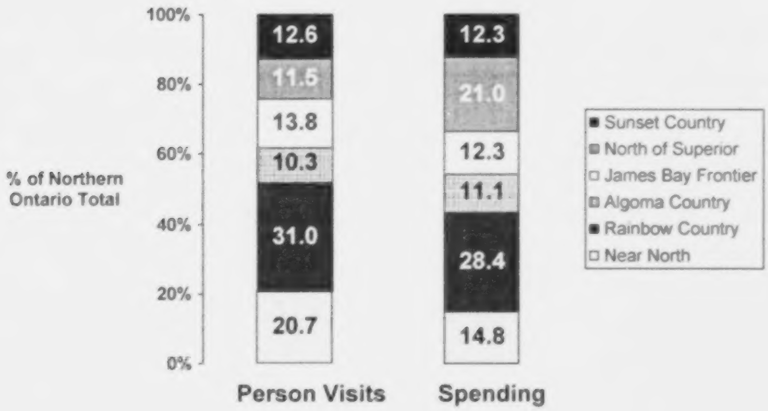
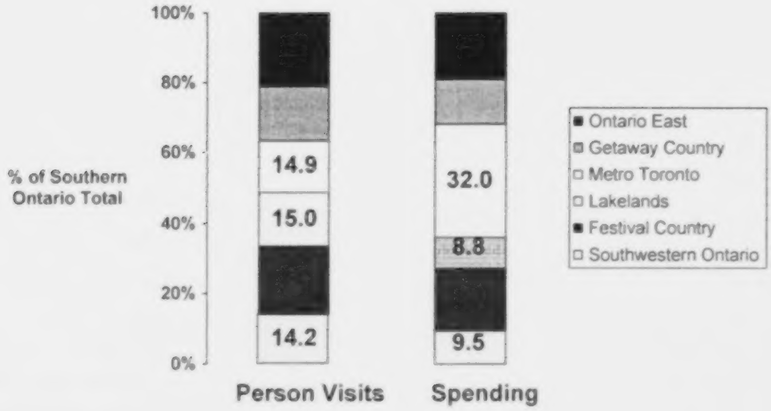


Figure 3.17: Visitation Volumes Compared with Expenditures

Northern Ontario



Southern Ontario



ANALYSIS OF THE TRAVEL ACTIVITIES AND MOTIVATION SURVEY (TAMS) DATA

The Travel Activities and Motivation Survey (TAMS) report is based on a telephone survey and a mail-back survey conducted in Canada and United States, between September 1999 and April 2000. The focus of the TAMS project was to explore travel behaviour and motivation of the 'past two years' (Dec. 1997-Nov. 1999) and 'travel intentions' (Dec. 1999-Dec. 2001) of Canadian and US residents. The information presented in this section of the report has been drawn from the analysis made by Lang Research on the TAMS data.

Our analysis of these data is broken out into three sub-sections, as follows:

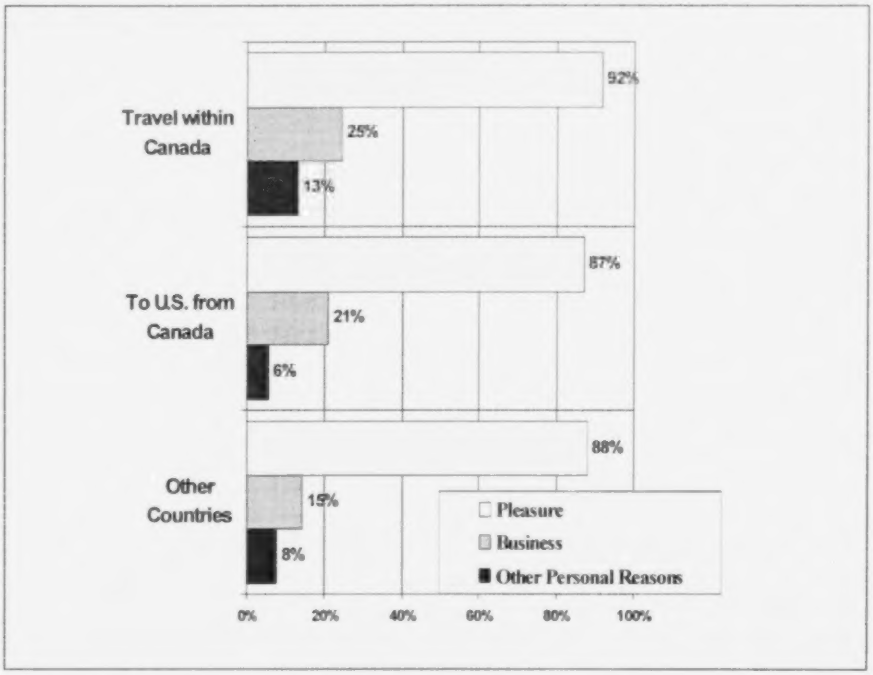
- Domestic Market
- U.S. Market
- Canadian vs. U.S. Markets

Results of each of these analyses are described in the following pages.

Domestic Market

An overwhelming majority of Canadians travelled during the past two years for pleasure purposes, as shown in Figure 3.18. About 7-in-8 Canadians reported to have travelled in Canada, US and overseas for pleasure purposes over the past 2 years.

Figure 3.18: Trip Purpose of Canadians by Destination Region*



Source: *Lang Research, TAMS Overview Report, Ontario Ministry of Tourism, Culture and Recreation*

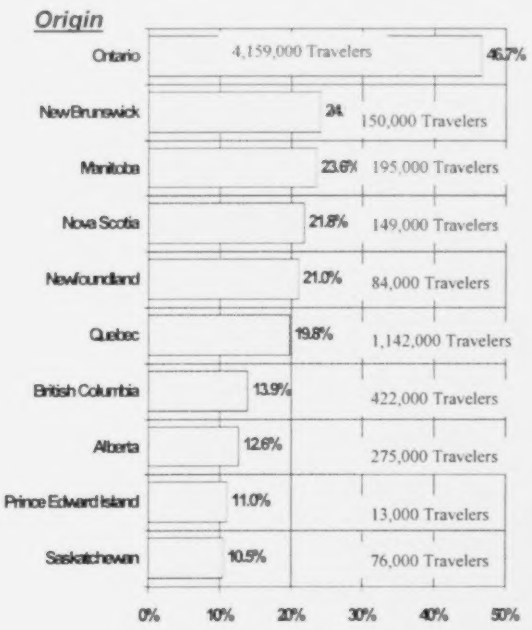
* Canadian population (18+): 23,261,570

- Canadians are more likely to travel within the country for business and personal reasons than to travel to US and overseas destinations.
- Proportion of Canadians going to US for business reasons is higher than to overseas destinations.
- Conversely, the proportion of Canadians going to overseas destinations for personal reasons is higher than to US destinations.

Because pleasure travel to the U.S. and overseas is almost as likely as to Canada, this means Ontario resource-based tourist operators are competing directly in the global marketplace for travellers' dollars.

Overnight domestic pleasure trips to Ontario totalled more than 6.5 million, as shown in Figure 3.19, and with the majority from within the Province. Almost 1-in-2 residents living in Ontario took an overnight pleasure trip within Ontario during the past two years.

Figure 3.19: Origins of Canadian Visitors to Ontario



Source: *Lang Research, TAMS Overview Report, Ontario Ministry of Tourism, Culture and Recreation*

* Percentages are based on the proportion of residents from a specific province taking an **overnight pleasure trip to Ontario**, e.g., 46.7% of residents (18+) living in Ontario travelled within the Province during the last 2 years for pleasure purposes, representing 4.2 million overnight pleasure travellers

- The five Canadian provinces with the ***highest proportion*** of their residents taking an overnight pleasure trip to Ontario are: Ontario, New Brunswick, Manitoba, Nova Scotia, and Newfoundland.

- However, the five provinces generating the largest volume of overnight pleasure trips are: Ontario, Quebec, BC, Alberta, and Manitoba.

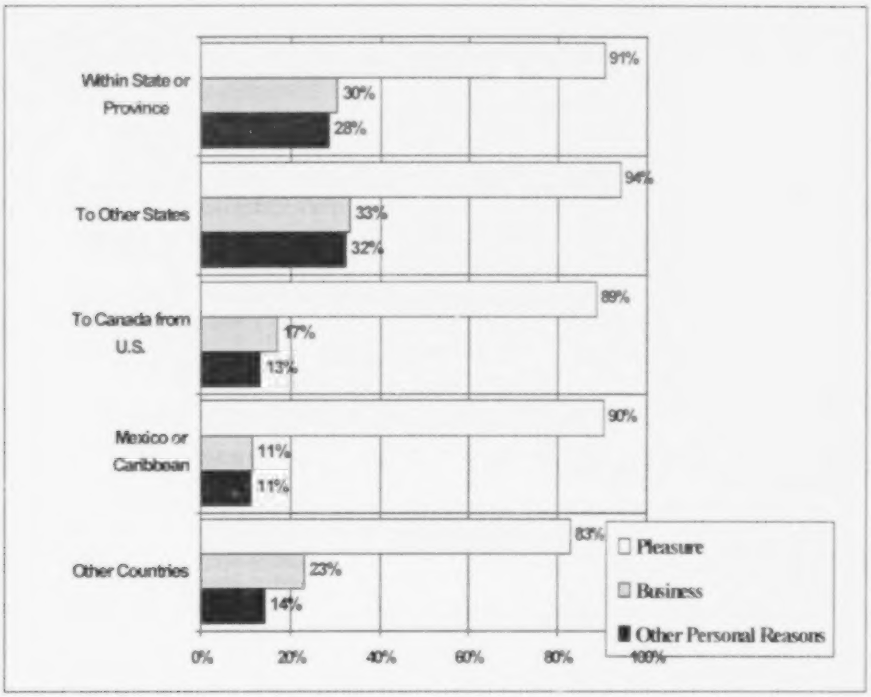
U.S. Market Travel Patterns

The TAMS data for U.S. markets is base on following regional structure:

- East North Central – Wisconsin, Illinois, Michigan, Ohio, Indiana
- Middle Atlantic – Pennsylvania, New York, New Jersey
- New England – Maine, Connecticut, Massachusetts, Rhode Island, Vermont
- South Atlantic – Florida, Georgia, North Carolina, South Carolina
- West North Central – Kansas, Nebraska, South Dakota, Missouri, Iowa, Minnesota
- East South Central – Alabama, Mississippi, Tennessee, Kentucky
- Mountain – New Mexico, Arizona, Utah, Colorado, Nevada, Idaho, Wyoming, Montana
- Pacific – California, Hawaii, Oregon, Washington, Alaska
- West South Central – Texas, Oklahoma, Arkansas, Louisiana

Similar to Canadians, an overwhelming majority of Americans travelled during the past two years for pleasure purposes, as shown in Figure 3.20. They were more likely to travel within the U.S. as to Canada, and equally likely to travel to Mexico or the Caribbean.

Figure 3.20: Major Trip Purpose of Americans by Destination Region*



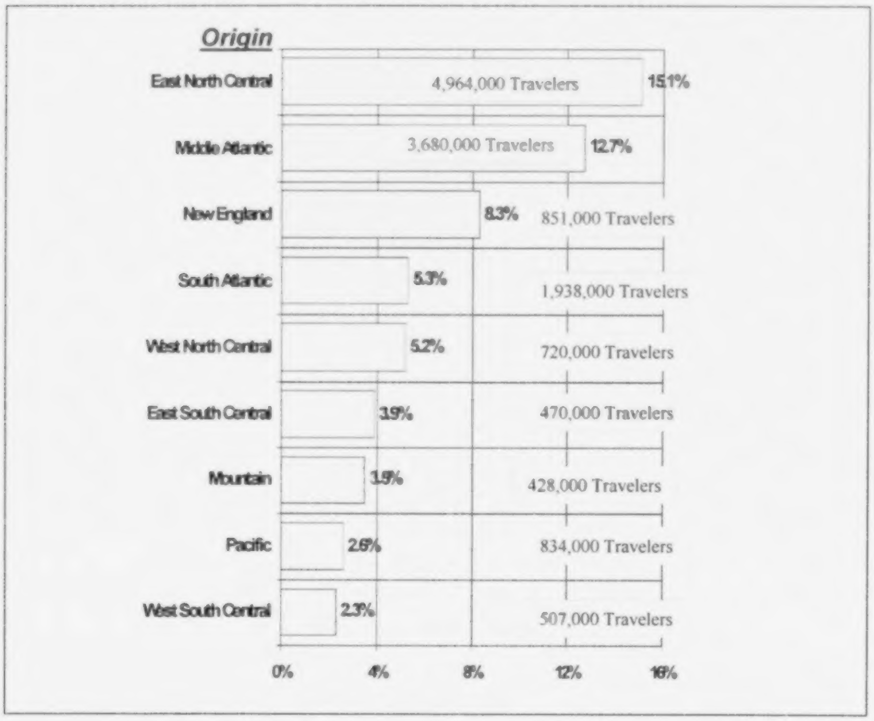
Source: *Lang Research, TAMS Overview Report, Ontario Ministry of Tourism, Culture and Recreation*

* American Population (18+): 200,426,465

- Americans are more prone to travel to Mexico and Caribbean destinations for pleasure purposes than to travel to Canada and other countries.
- Americans are more likely to travel within US and other countries for business and personal reasons than to travel to Canada and Mexico/Caribbean.

U.S. pleasure trips to Ontario totalled more than 15 million, as indicated in Figure 3.21. East North Central and Middle Atlantic regions generate the highest volume of pleasure trips to Ontario.

Figure 3.21: Origins of U.S. Pleasure Trips to Ontario*



Source: *Lang Research, TAMS Overview Report, Ontario Ministry of Tourism, Culture and Recreation*

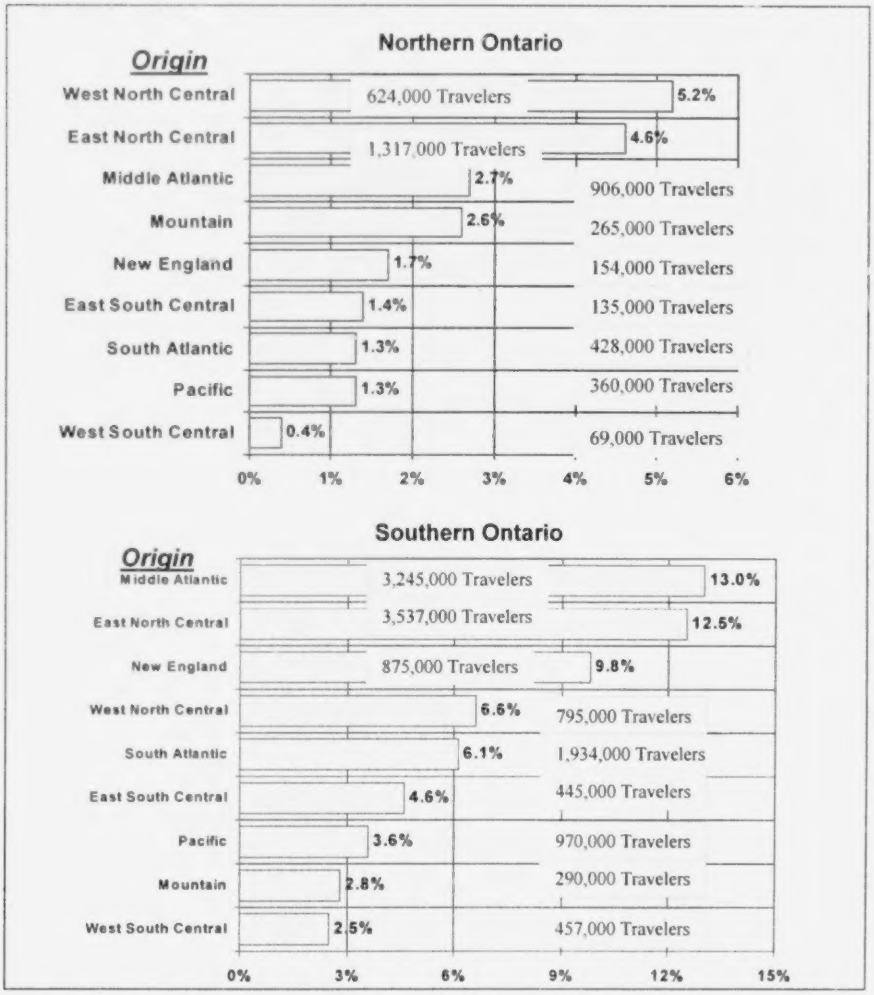
* Percentages are based on the proportion of residents from a specific geographic region taking at **least one pleasure trip to Ontario**, e.g., 15% of residents (18+) living in the East North Central Region travelled to Ontario during the last 2 years for pleasure purposes, representing close to 5.0 million travellers.

- The five U.S. regions with the ***highest proportion*** of their residents taking a pleasure trip to Ontario are: East North Central, Middle Atlantic, New England, South Atlantic, and West North Central.
- However, the five regions generating the ***largest volume*** of pleasure trips are: East North Central, Middle Atlantic, South Atlantic, New England and Pacific.

US residents are more likely to travel to Southern Ontario for pleasure purposes than to Northern Ontario, as shown in Figure 3.22. For Northern

Ontario, West North Central U.S. is the most important origin region and for Southern Ontario it is the Middle Atlantic region. East North Central is second most important in each case.

Figure 3.22: U.S. Origins of Travellers to Northern and Southern Ontario*



Source: *Lang Research, TAMS Overview Report, Ontario Ministry of Tourism, Culture and Recreation*

* Percentages are based on the proportion of residents from a specific geographic region taking an **overnight pleasure trip to Northern/Southern Ontario**, e.g., 15.8% of residents

(18+) living in the Middle Atlantic Region travelled to Southern Ontario during the last 2 years for pleasure purposes, representing 3.2 million overnight pleasure travellers.

Northern and Southern Ontario have strongest appeal to New York and Michigan residents (percentages are based on the proportion of residents from a specific state taking an overnight pleasure trip to Northern/Southern Ontario).

- Close to 50% of US residents taking pleasure trips to Northern Ontario come from 5 states:
  - Michigan (12.4%),
  - New York (10.2%),
  - Wisconsin (9.6%),
  - Minnesota (7.7%), and
  - Pennsylvania (4.8%)
- About 48% of US residents taking pleasure trips to Southern Ontario come from 5 states:
  - New York (16.3%),
  - Michigan (11.7%),
  - Ohio (8.8%),
  - Pennsylvania (5.8%), and
  - California (5.4%)

Demographic Patterns of Visitors

For pleasure trips, Northern Ontario is more likely to appeal to the types of visitors shown in Figure 3.23.

Figure 3.23: Demographic Types of Visitors Attracted to Northern Ontario*

Type of Visitor	% of Total Ontario Trips
Males	3.1%
Senior couples--Married or living common law; no children (of respondent) under 21 living in the home; age 66 and older	4.1%
Mature couples--Married or living common law; no children (of respondent) under 21 living in the home; age between 36 and 65	2.9%
Travellers with high/trade education	3.3%
Travellers with University/college education	2.1%
Females	1.7%
Young couples--Married or living common law; no children (of respondent) under 21 living in the home; age between 18 and 35	0.5%
Young families--At least one child (of respondent) under 13 living in the home; no restrictions for age or marital status	1.8%
Travellers with advanced degree education	1.6%

Source: Lang Research, TAMS Overview Report, Ontario Ministry of Tourism, Culture and Recreation

* Information is based on a mail-back survey. Information was further re-adjusted to reflect the number of pleasure trips taken to Ontario between the telephone and mail-back surveys.

For pleasure trips, Southern Ontario is more likely to appeal to the types of visitors shown in Figure 3.24.

Figure 3.24: Demographic Types of Visitors Attracted to Southern Ontario*

Type of Visitor	% of Total Ontario Trips
Senior couples--Married or living common law; no children (of respondent) under 21 living in the home; age 66 and older	11.9%
Senior singles--Not married or living common law; no children (of respondent) under 21 living in the home; age 66 and older	9.6%
Mature couples--Married or living common law; no children (of respondent) under 21 living in the home; age between 36 and 65	8.4%
Travellers with advanced degree and university/college education	9.1% 7.8%
Travellers living in household incomes of $80K plus and $40-$80K	9.2% 8.1%
Young couples--Married or living common law; no children (of respondent) under 21 living in the home; age between 18 and 35	4.8%
Travellers with high school/trade education	5.5%
Travellers living in household incomes of less than $40K	5.0%

Source: *Lang Research, TAMS Overview Report, Ontario Ministry of Tourism, Culture and Recreation*

* Information is based on a mail-back survey. Information was further re-adjusted to reflect the number of pleasure trips taken to Ontario between the telephone and mail-back surveys.

Participation in outdoor activities while travelling during the past two years differs for Canadian and U.S. travellers, as shown in Figure 3.25.

Figure 3.25 – Part 1: Participation in Outdoor Activities while Traveling: Canadians vs. Americans

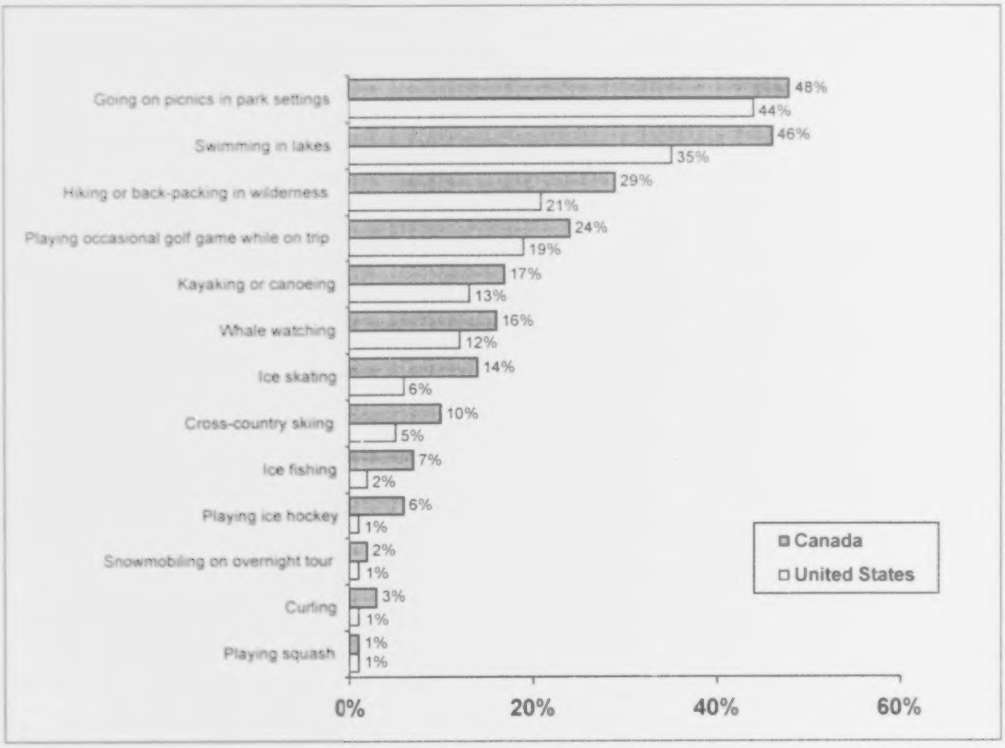
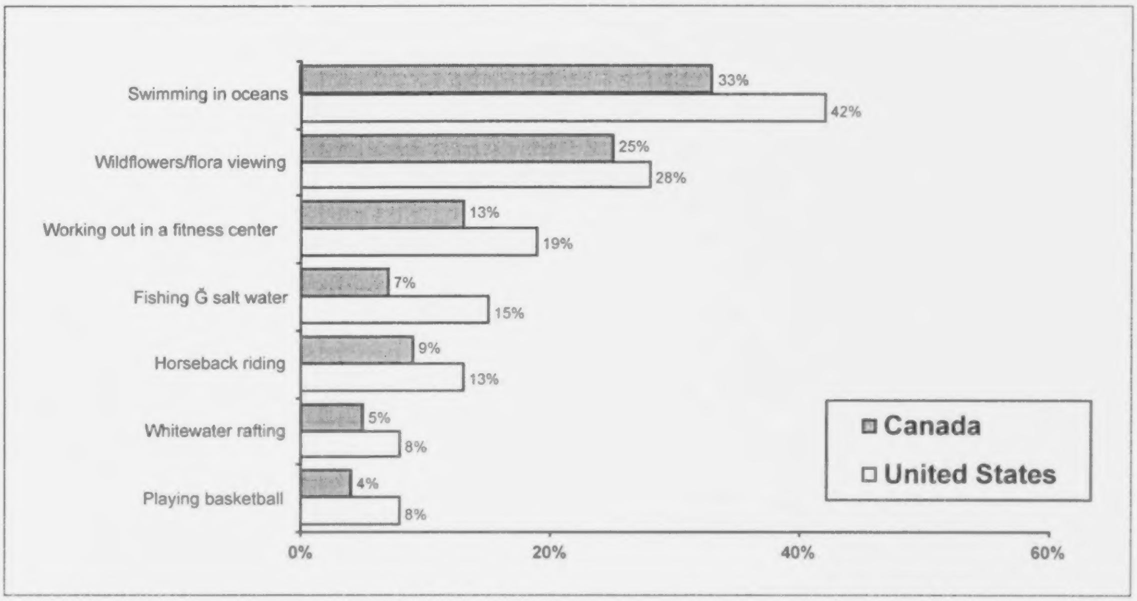


Figure 3.25 – Part 2: Participation in Other Outdoor Activities while Traveling: Canadians vs. Americans (cont'd)



Source: Lang Research, TAMS Overview Report, Ontario Ministry of Tourism, Culture and Recreation

The likelihood of participation in selected outdoor activities by specific lifestyle market segments is shown in Figure 3.26. Descriptions of each of these market segments are included in the Appendix.

Figure 3.26: Propensity of Lifestyle Market Segment Groups to Participate in Selected Outdoor Activities

	Factor Scores*			
Market Segment**	**Less than 0.10**	**0.10 to 0.19**	**0.20 to 0.29**	**0.30 to 0.40**
Affluent Young Singles		X-Country and downhill skiing	Biking	Outdoor adventure
Affluent Young Couples	Biking, X-Country and downhill skiing	Golfing	Snowmobiling	Outdoor adventure
Mainstream Youth Market	Hunting, X-Country and downhill skiing	Snowmobiling	Outdoor adventure, biking	
Affluent Families	Snowmobiling	nature sports, fishing, X-Country and downhill skiing		
Mainstream Young Families	Outdoor adventure, biking, snowmobiling	Fishing, Hunting		
Mainstream Mature Families	Hunting	Fishing		
Affluent Mature Singles	Outdoor adventure, X-Country and downhill skiing, nature sightseeing	Golfing, biking		
Mainstream Mature Singles	Golfing, fishing, hunting, natural phenomena	Nature sightseeing		
Mainstream Mature Singles	Nature sightseeing, natural phenomena			
Affluent Mature/Senior Couples	Outdoor adventure, hunting, X-country and downhill skiing, natural phenomena		Nature sightseeing	Golfing
Mainstream Senior Couples	Golfing	Nature sightseeing	Natural phenomena	
Senior Singles			Natural phenomena	

Description of Outdoor Activities:
Outdoor adventure—White water rafting, kayaking & canoeing, hiking, & backpacking, horseback riding
Golfing—Golfing at a resort, taking a golfing package tour, playing the occasional fame of golf
Biking—Recreational biking, mountain biking, biking on overnight tour trip
Fishing—Salt water fishing, fresh water fishing, motor-boating
Hunting—hunting for Big Game, hunting for Small Game
X-Country & downhill skiing—same
Snowmobiling—snowmobiling as an overnight tour trip, snowmobiling on organized trails
Nature sightseeing—Wildflower & flora viewing, other wildlife viewing, bird watching
Natural phenomena—Seeing the Northern Lights or other arctic experiences, whale watching

Source: Lang Research, TAMS Overview Report, Ontario Ministry of Tourism, Culture and Recreation

* "...Factor scores are standardized with an average of "0" and a standard deviation on "1". A value of "0" means that the type of traveler exhibited an average tendency to pursue a given type of outdoor activity. Progressively more positive values indicate that the traveler type was progressively more likely to have pursued this type of outdoor activity.

Print publications preferences of Canadians and Americans who took a trip to Canada are shown in Figure 3.27. This provides an indication of the reach of various types of media among travelers, helpful for determining where to advertise.

Figure 3.27: Print Publication Preferences of Canadian and American Travellers in Canada

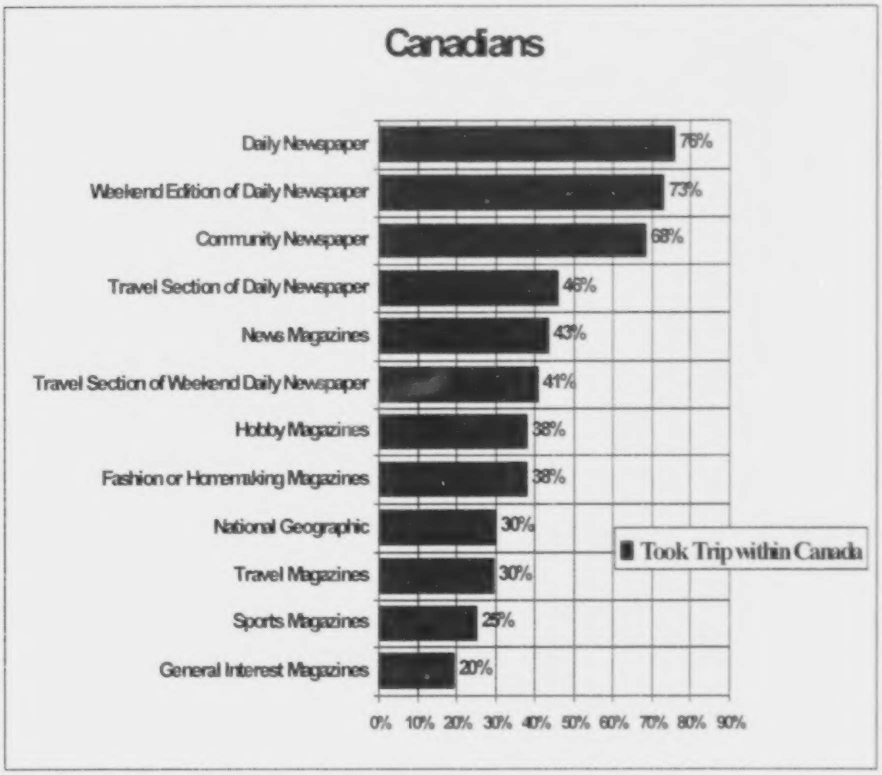
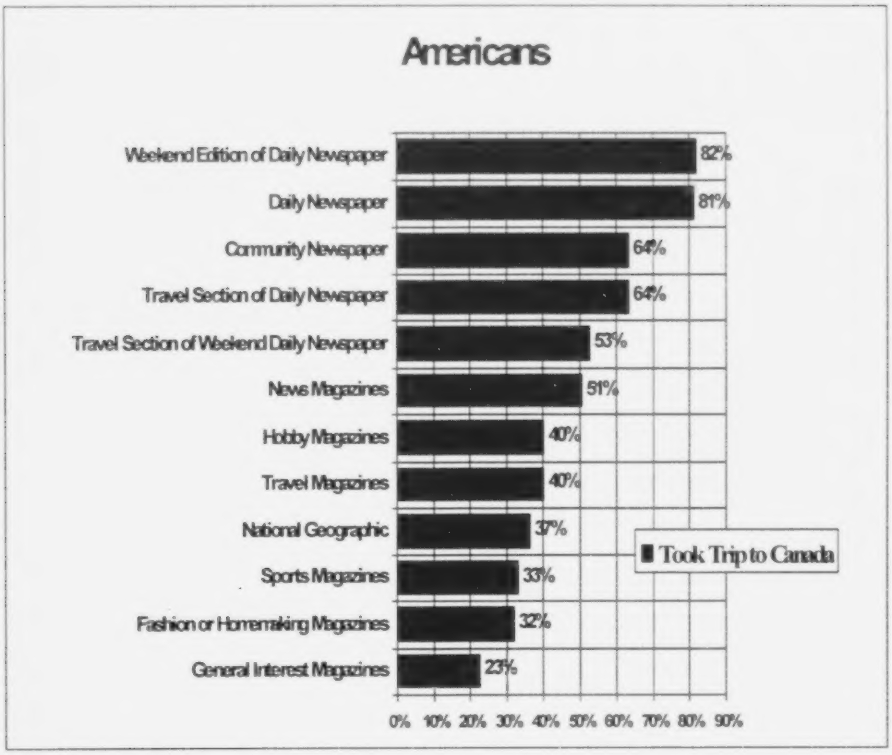


Figure 3.27: Print Publication Preferences of Canadian and American Travellers in Canada (cont'd)



Source: Lang Research, TAMS Overview Report, Ontario Ministry of Tourism, Culture and Recreation

RELEVANT TOURISM TRENDS

We have tapped into several data sources to document the following relevant trends:

- Magnitudes of the potential markets for outdoor activities
  - Based on participation rates
  - Including wide range of outdoor and ecotourism activities, and compared to fishing and hunting
  - Examined both U.S. and Canadian data

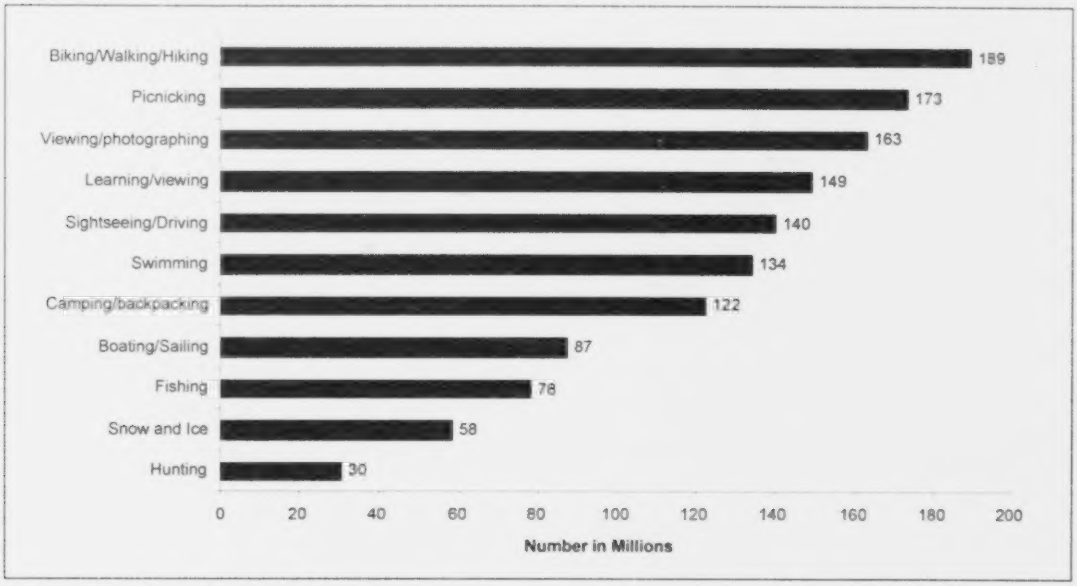
- Activity preferences and demographics of ecotourists and nature-based tourists
- Market potential and growth trends in specific outdoor sub-segments, including:
  - Wildlife viewing and birding
  - Fishing and hunting
  - Water-based activities
  - Winter activities
- Learning vacation activities
- Accommodation preferences for ecotourists

These are reported on in the remainder of this chapter.

Magnitudes of Potential Outdoor Markets by Activity

The U.S. market for non-consumptive forms of outdoor recreation also displays large potential, as shown in Figure 3.28. Many of the non-consumptive activities have much higher participation levels than fishing or hunting.

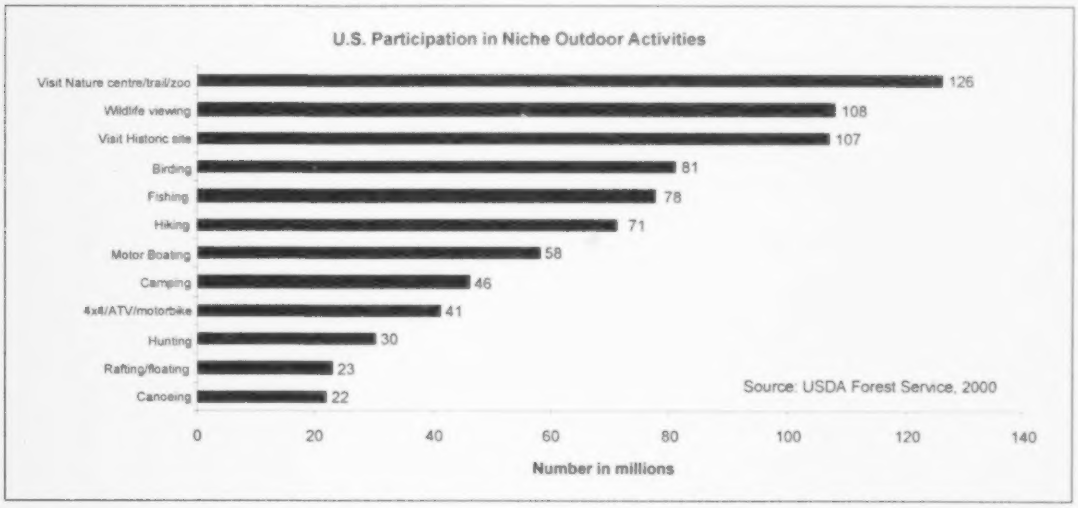
Figure 3.28: U.S. Participation in Outdoor Activities



Source: USDA Forest Service, 2000

U.S. participation in key outdoor activities specifically relevant to Ontario's resource-based operators shows significant market potential, as indicated in Figure 3.29. Ontario has the natural resource base to offer high quality outdoor experiences in many key product niches that have high levels of participation in the U.S. Once again, several activities have higher participation levels than fishing and many have higher participation levels than hunting.

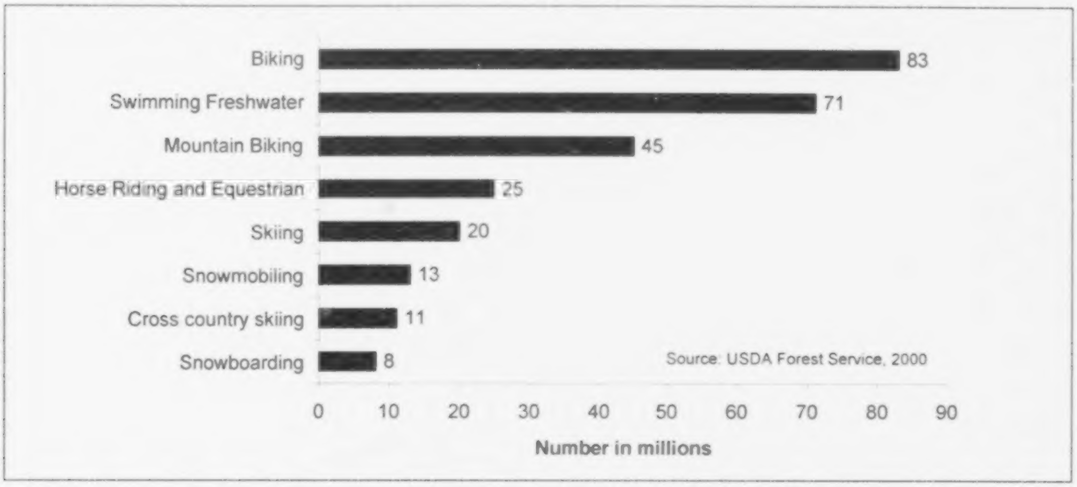
Figure 3.29: U.S. Participation in Niche Outdoor Activities



Source: USDA Forest Service, 2000

U.S. participation is also high for other outdoor activities that may be relevant to Ontario's resource-based operators, as indicated in Figure 3.30. These activities also have good potential and will help operators diversify the products offered and build volume in the winter season.

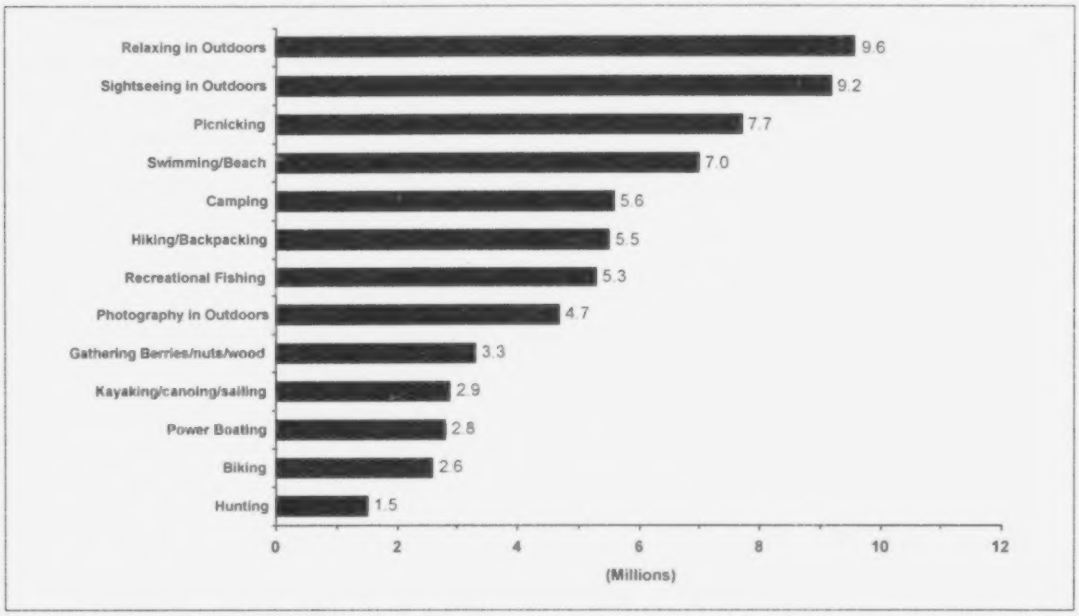
Figure 3.30: U.S. Participation in Other Outdoor Activities



Source: USDA Forest Service, 2000

Within Canada there is also strong interest in outdoor-oriented activities, which are shown in Figure 3.31, which indicates the percentages of all Canadians who participate in the various activities. Again, many outdoor activities have higher participation levels than hunting and fishing.

Figure 3.31: Canadians Participating in Outdoor-Oriented Activities



Source: Environment Canada, 1996

- Participation across the provinces in outdoor activities averaged 85% of the total population, with Alberta the highest at 89% and Yukon the lowest at 77% – Ontario was at the average 85%.
- Canadians also have a strong interest in winter activities such as alpine skiing, snowshoeing, snowmobiling and cross country skiing.

Characteristics of Ecotourists

There is a large North American market for outdoor adventures, ecotourism and nature-based tourism. Studies estimate that nearly half (48%) of all U.S. vacations involved some form of nature-based activity. Key activities include:

- Boating, hiking, camping, biking, wildlife viewing, skiing, touring, fishing, local cultures and walking.
- Typical demographics are shown below:

The North American Ecotourist Profile	
Age	35 to 54 years old, but varies with activity
Gender	50% female and 50% male, although there are differences by activity
Motivations	1) Enjoying scenery/nature, and 2) discovering new places/experiences
Expenditure	Ecotourists spend more than general tourists, with 26% spending $1000 plus per trip.
Party Size	The majority (60%) travel as couples, 15% as families and 13% alone.

Source: ARA Consulting Group Inc. and HLA Consultants, 1995.

- Tour operators from Asia-Pacific region who offer ecotourism products have experienced annual growth rates of 10% to 25% in recent years.
- Ecotourism and all nature-related tourism account for approximately 20% of total international travel (WTO, 1998).

Wildlife viewing and birding are popular outdoor activities. The U.S. Fish and Wildlife Service reports that nearly 63 million Americans observed, photographed or fed wildlife in 1996. More recent studies (U.S. Forest Service, 2000) estimate the number of wildlife viewers in the U.S. to be approximately 108 million, indicating rapid growth in this market. Demographics are shown below:

Wildlife Viewer Demographics

Age	Gender	Income
25% (35-44)	54% women	40% - $75-99,999
19% (65 +)	46% men	37% - $100,000 +

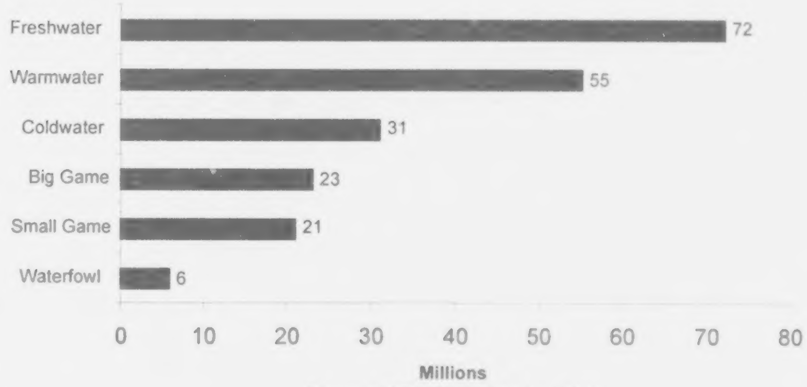
Source: US Fish and Wildlife Service, 1996

- Nearly 80% of all wildlife watchers are believed to be birders according to the American Birding Association.
- Spending by people who view wildlife has increased over the last few years.

Fishing and Hunting Segments

Fishing and hunting markets are showing modest or no growth, which is cause for concern for resource-based operations. Participation levels and demographics are shown in Figure 3.32.

Figure 3.32: Fishing and Hunting Segments



Source: USDA Forest Service, 2000

Demographics

Activity	Age	Gender
Hunting Demographics	27% (35-44) 20% (25-34, 45-54)	91% men 9% women
Fishing Demographics	27% (35-44) 20% (25-34, 45-54)	73% men 27% women

Source: US Fish and Wildlife Service, 1996

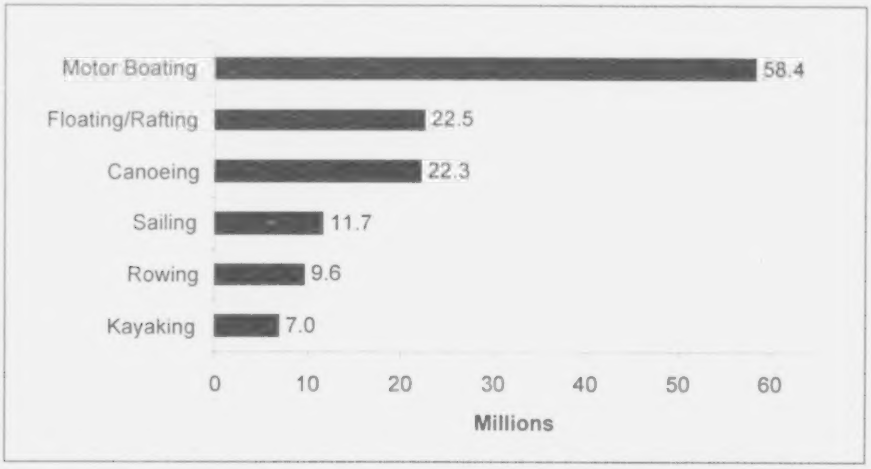
- There has been some growth (2-5%) in the fishing market in recent years, particularly in the Catch-&-Release market.
- Fishing remains one of the larger outdoor activities and one that is compatible with other types of resource-based tourism.

- Hunting overall has remained relatively stable, with declines in some segments such as waterfowl hunting.

Other Outdoor Activities

Ontario is well-placed to take advantage of the large U.S. water-based activities market. Motorboating is a major water-based activitiy with 58.4 million paricipants, as shown in Figure 3.33.

Figure 3.33: U.S. Participation in Water-Based Activities

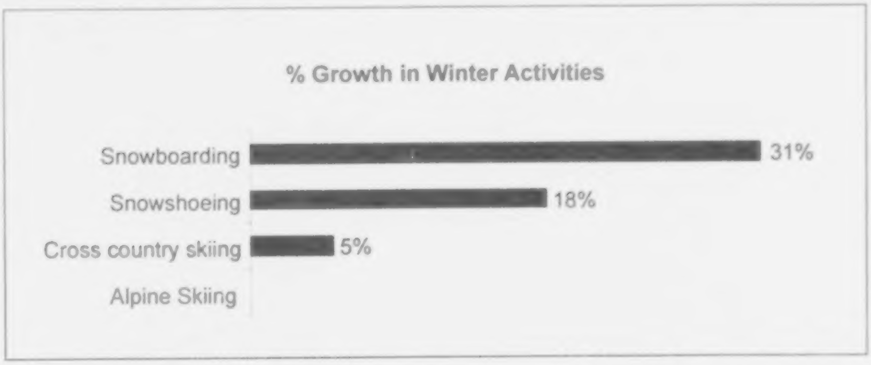


Source: USDA Forest Service, 2000

- There is also a large market for non-motorized water activities that are compatible with ecotourism.
- Kayaking and floating/rafting, including both whitewater and flatwater, have seen very significant growth in recent years.

Winter activities have also demonstrated strong growth and offer potential for the resource-based operators. Although the number participating in winter activities is small compared to summer, these activities have been experiencing substantial growth (see Figure 3.34).

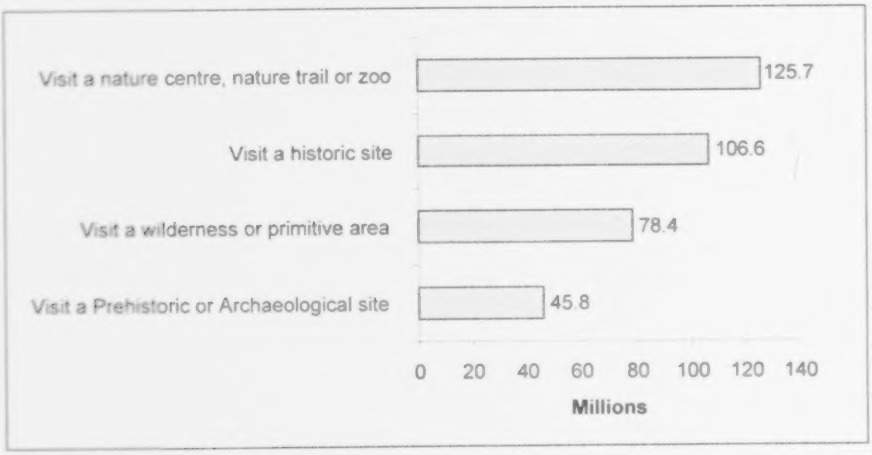
Figure 3.34: Winter Activities



- Downhill skiing and snowboarding are relevant to operators in close proximity to these facilities (e.g. Thunder Bay area).
- Other activities such as dog sledding and ice fishing are also experiencing some growth.
- Dog sledding, cross country skiing and snowshoeing are particularly popular with the European markets (e.g., Germany, France, Austria and Scandinavia).

Learning vacations are a fast growing segment of the travel market, also with high participation levels, as shown in Figure 3.35. Learning about nature, the environment, culture and history are significant motivators for outdoor recreation. Resource-based activities such as ecotourism provide ideal environments for learning and education.

Figure 3.35: U.S. Participation in Learning Vacation Type Activities



Source: USDA Forest Service, 2000

Accommodation preferences of the North American ecotourism market are consistent with much of what is offered by resource-based operators (see Figure 3.36). Accommodations are important to ecotourists, but secondary to the experience/activity and natural setting.

Figure 3.36: Accommodation Preferences of Ecotourists vs. General Consumers

Type of Accommodation	Ecotourists	General Consumers
Cabin	66%	14%
Lodge/Inn	60%	14%
Tent	58%	17%
Bed and Breakfast	55%	10%
Hotel/Motel	41%	56%
Ranch	40%	1%
Cruise Ship	20%	4%
Other	5%	3%
RV	2%	5%

Source: ARA Consulting Group Inc. and HLA Consultants, 1995.

- Price is not a primary concern, but the range of activities available and value for money are important.
- Customer service is also a high-ranking criteria and, therefore, must be a priority for resource-based operators wishing to tap into the broader soft adventure and ecotourism markets.

4 – RESOURCES AND PRODUCT POTENTIAL

In this chapter the resource potential is assessed in order to identify value added opportunities for operators and for community-based initiatives. The diversification study is timely. Ontario's tourism product is in need of rejuvenation, particularly in light of increasing competition for strong emerging markets seeking heritage, culture and nature product. Indeed most other provinces and countries have restructured their tourism product positioning quite successfully to reflect market shifts.

Attention to ecotourism, including heritage and nature-based tourism is increasing world-wide in response to market demand. It is the focus of product diversification efforts in many jurisdictions and is considered as an important strategy for what has been identified as one of the fastest growing segments of tourism in the world.

DEFINITIONS AND DESCRIPTION OF TERMINOLOGY

It is helpful to define several of the key terms used throughout this study in order to ensure that their meaning is clear.

- **Ecotourism** – Purposeful travel that creates an understanding of cultural and natural history, while safeguarding the integrity of the ecosystem and producing economic benefits that encourage preservation. Ecotourism implies a scientific, aesthetic, or philosophical approach with a high level of interpretation. (from Canadian Tourism Commission web site; credited to Newfoundland and Labrador Dept. of Tourism and Culture)
- **Sustainable tourism** is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems. (World Tourism Organization)
- **Adventure travel** may be defined as a leisure activity that takes place in an unusual, exotic, remote or wilderness destination and tends to be

associated with high levels of activity by the participants, most of it outdoors. Adventure travelers expect to experience varying degrees of risk, excitement and tranquillity and to be personally tested or stretched in some way. They are explorers of both and outer world, especially unspoiled exotic parts of our planet, and an inner world of personal challenge, self-perception and self-mastery. (Outdoor Recreation Council of British Columbia).

  - *Hard adventure travel* – combines a unique experience in an outdoor setting with excitement and a degree of risk. It frequently demands physical exertion as well as a level of skill. (from CTC web site)
  - *Soft adventure travel* – also focuses on providing a unique outdoors experience or 'adventure'. However, it involves only a minor element of risk, little physical exertion and no skill. (from CTC web site)

- **Cultural/heritage resources** are our society's inheritance from past generations. They include archaeological sites, buildings, structures, streetscapes and related landscapes, and aspects of our communities' lives which, rooted in their individual histories, help convey our collective identity and make them appealing places for residents and visitors.
- **Heritage attractions** refer to historic sites, museums, interpretive facilities, and events, which serve to attract visitors. The word 'attraction' usually is reserved for a large development or major event.
- **Cultural/heritage tourism** is that component of eco-tourism, which involves both attendance at attractions by visitors to the area, and the enhancement of the tourist experience provided by the areas tourist resources. Often there is a learning experience associated with the interpretation. The tourism base of the region can be effectively enhanced by co-coordinating, improving and interpreting its culture/heritage/eco attractions and resources.

POTENTIAL FOR DIVERSIFICATION BY REGION

The term 'Cultural Landscape' is one that has been used for many decades. Cultural Landscapes links the impact of culture to a physical area are defined as:

Cultural Landscape

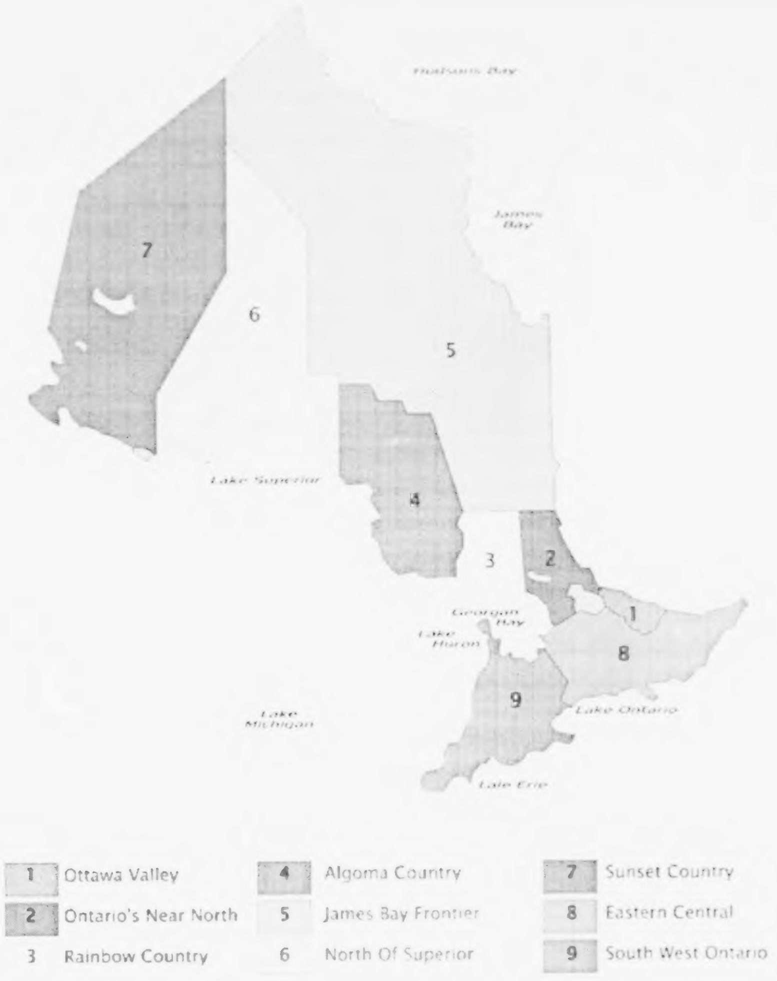
Geographic areas that have been modified, influenced, or given special cultural meaning as a result of human interaction with the natural environment. The human interaction may be taken to include intervention on the land derived from one or more overlapping human processes over a period of time. Cultural landscapes also include natural resources, and the wildlife or domestic animals therein. Cultural Landscapes may be categorized as either i. Designed; ii. Organically evolved: continuing or relic: or iii. Associative.

The contextual history provides a comprehensive understanding of the themes of the different regions, a structure, which is then applicable to organizing the myriad resources of the study area into meaningful thematic groupings for purpose of identifying opportunities to diversify resource based tourism.

We used a regional breakdown which divides the province into nine travel regions – the six NOTAP regions in Northern Ontario, plus three regions in Southern Ontario (Southwestern Ontario, East Central Ontario, and Ottawa Valley) which are shown in the map of Figure 4.1. These regions are arguably cultural landscapes with recognizable differences and unique features in terms of their history, cultural diversity and natural resources.

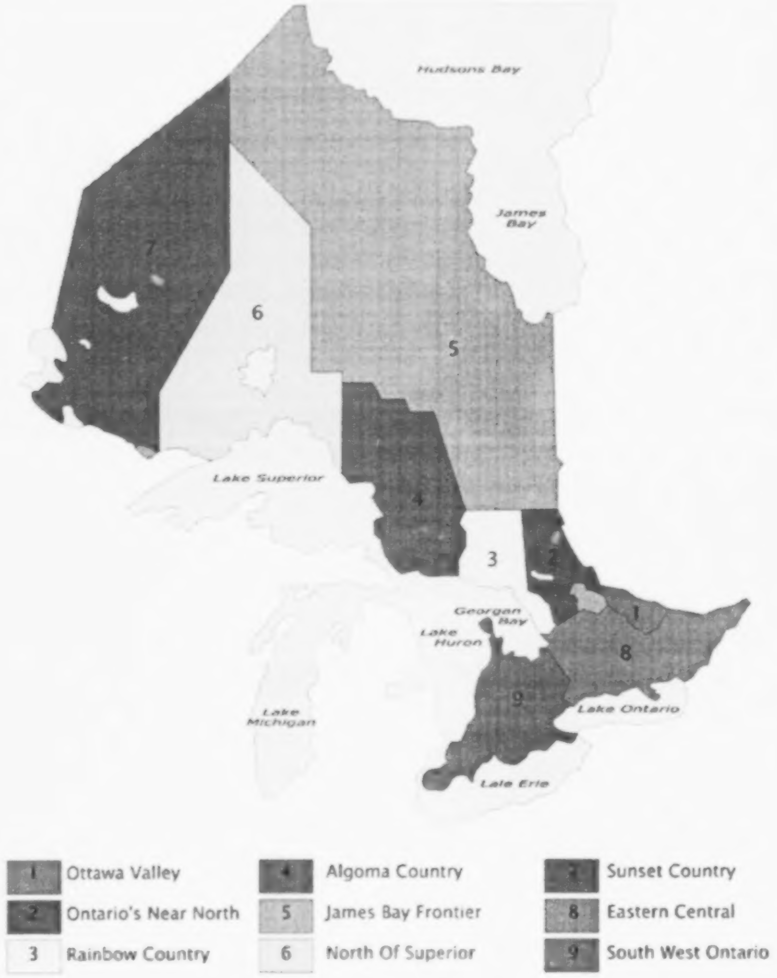
- Each region has unique intrinsic attractions with considerable appeal and potential for developing and marketing cultural/heritage tourism.
- What we have endeavored to do is identify potential cultural landscapes by overlay the regions' boundaries on a variety of ecosystem maps and heritage/cultural features located on maps.
- The boundaries separating region to region are political and sometimes arbitrary, but when overlain with the natural and heritage/cultural features distinct characteristics become apparent.
- We are suggesting that the nine regions be looked at in the framework of "cultural landscapes".

Figure 4.1: Map of Ontario Regions


Hudsons Bay
James Bay
7
6
5
Lake Superior
4
3
2
1
Georgian Bay
Lake Huron
8
9
Lake Michigan
Lake Ontario
Lake Erie
1 Ottawa Valley
2 Ontario's Near North
3 Rainbow Country
4 Algoma Country
5 James Bay Frontier
6 North Of Superior
7 Sunset Country
8 Eastern Central
9 South West Ontario

Heritage and nature-based tourism product development can be undertaken in the context of a destination's objectives for this form of product diversification, its overall priorities in terms of positioning these products to offset investment required to develop competitive product, the

Figure 4.1: Map of Ontario Regions


Hudsons Bay
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Lake Superior
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Georgian Bay
Lake Huron
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Lake Michigan
Lake Ontario
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2 Ontario's Near North
3 Rainbow Country
4 Algoma Country
5 James Bay Frontier
6 North Of Superior
7 Sunset Country
8 Eastern Central
9 South West Ontario

Heritage and nature-based tourism product development can be undertaken in the context of a destination's objectives for this form of product diversification, its overall priorities in terms of positioning these products to offset investment required to develop competitive product, the revenue generation potential to offset investment and operating costs, and the need to properly promote and market the attractions/and or experience.

There are some important considerations which need to be examined in the course of incorporating sites into the package mix. These considerations are discussed below.

- **What is the context for considering interpretation and use options for sites in various regions?** There is a real danger that the recommendations developed for uses and interpretation of individual sites are done outside the context of the overall product development strategy for the province as it relates to heritage and nature-based tourism. The framework should be put in place to guide the decisions made on product development. For example, what themes are unique to Sunset Country. The answer to this question then provides a framework for considering the role of each region and individual sites in terms of visitor experience offered, the interpretive themes emphasized, and the marketing strategy.
- **The whole is greater than the sum of the individual parts.** Many individual heritage and nature-based sites are not sufficiently strong attractions in and of themselves to achieve the objective of the province for major tourism diversification. The investment in the sites most likely will not be justified on an individual site basis alone. The real value of the investment will be achieved through the integration strategies that present individual sites in the context of an overall product experience.

Heritage/Culture and Nature Based Products

While Ontario should not move away from featuring its traditional fishing, hunting and family vacation positioning, it can add additional dimensions to its tourism profile through the significant heritage, nature and cultural resources that it has to offer. At present the product positioning has been confusing, unclear and not well defined in comparison with other provinces and countries.

The northern parts of the province have unique heritage resources dating back several centuries. These can readily be interpreted and packaged to attract tourists. It also has significant and attractive natural resources with its rugged forested landscapes, dramatic coastlines and boundless lakes and rivers, spectacular views, wildlife and plant life. In addition the communities and people of Northern Ontario offer excellent cultural experiences that can presently be found outside the existing tourist areas and services.

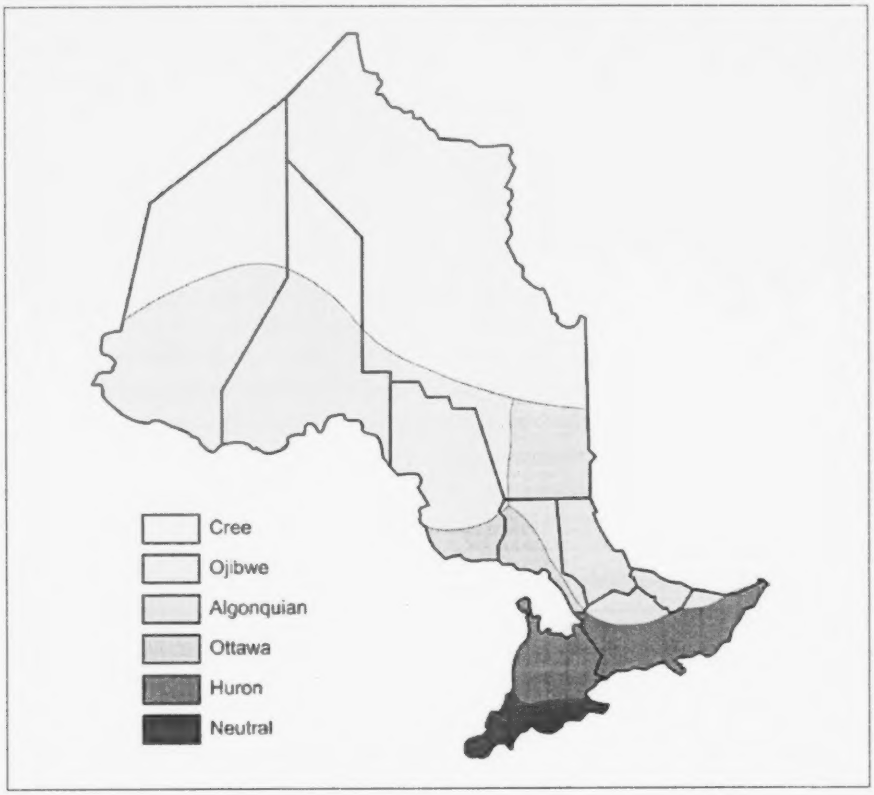
- **First Nations.** Every river and traversable lake was utilized by First Nations people for thousands of years as travel-ways, as sources of food, and commerce. These people named all geographic features, either as landmarks or for spiritual purposes. Many of these Aboriginal place names continue to exist on contemporary maps, in Cree, Ojibwa, Algonquin, and Odawa. They had special sophisticated knowledge and uses and meanings for hundreds of species of plants and animals.
- **European settlement.** Layered onto the First Nations stories, are those of the Europeans, who relied heavily on the First Nations knowledge of transportation routes and survival techniques. Starting with the French explorers, fur traders and missionaries, in the 1600's who gave way to the Hudson's Bay, and North West Company fur traders in the latter 1700's and continuing into the 1920's.
- **The story of the fur trade** is highly interesting, and a prominent theme in any heritage tourism promotion of these regions of Ontario. Literally hundreds of fur trade posts, and portages were constructed along every major lake and river. The majority of these are archaeological sites today, however a vast literature of diary journals and maps exist in the Hudson' Bay Company archives, and other national provincial or local collections. A number of these have been published for the benefit of tourists. You can follow the historic routes of Alexander Mackenzie, David Thompson, Simon Fraser, and Sir John Franklin.

All of this information is available to tourist operators or marketing organizations. Again, there is potential for increased packaging of these themes into tourism offerings, for it has not been done before in any meaningful or continuous way.

Maps of Cultural and Natural Resources

We have included several maps in Figures 4.2 through 4.7 of principal cultural and natural heritage features throughout Ontario, which provide an indication of the resources potential in different parts of the province and help to define key "cultural landscapes" themes.

Figure 4.2: Woodland/Algonquian Tribes Before 1500



The stories of surveyors, miners, loggers, commercial fishermen, bush pilots, trappers, writers, artists, industrialists, agricultural settlers, and immigrant's experiences are unique to northern and northwestern Ontario, considering the harshness of the climate, and terrain.

These, along with First Nations stories can be considered Ontario's cultural landscapes; all provide a wealth of opportunities for interpretation, and packaging of tour itineraries or enrichment experiences such as seminars, workshops, and getaway retreats.

Figure 4.3: National Historic Sites and Parks of Ontario

BloodVein
Missinaibi
Boundry Waters
Pukaskwa
St. Marys
Sault St. Marie Canal
Rideau Canals

Figure 4.3: National Historic Sites and Parks of Ontario

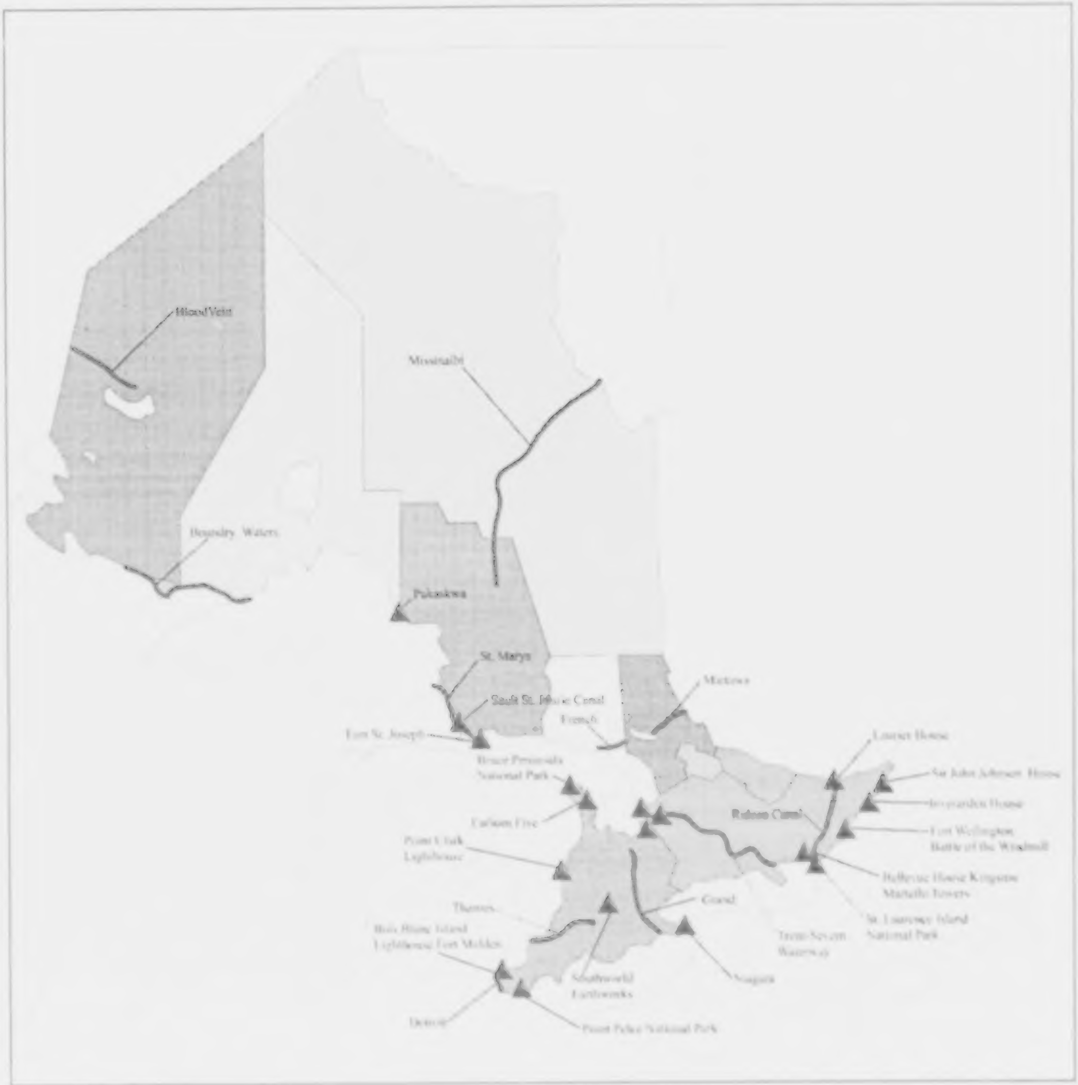
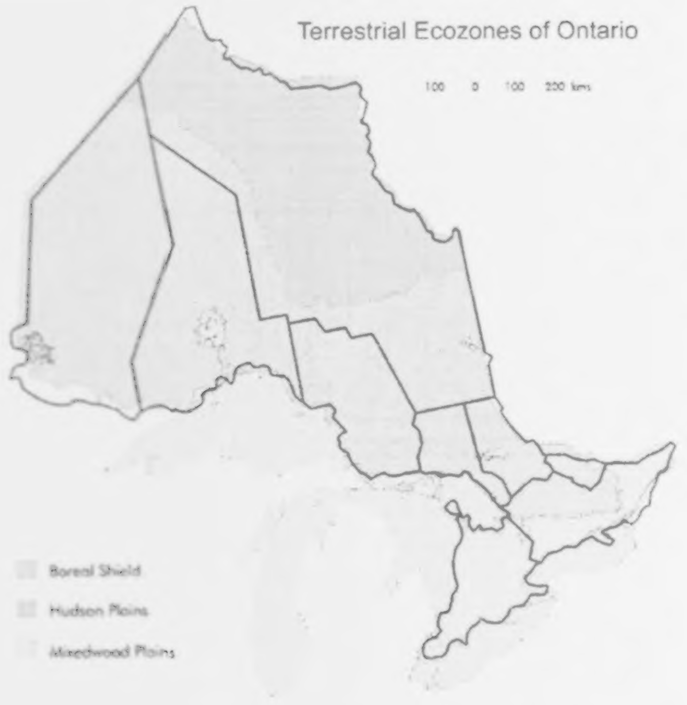

Bloodvein
Missinaibi
Boundary Waters
Pukaskwa
St. Marys
Sault St. Marie Canal
Fort St. Joseph
French
Mattawa
Bruce Peninsula National Park
Carleton Five
Point Clark Lighthouse
Thames
Bois Blanc Island Lighthouse Fort Malden
Detroit
Southworld Earthworks
Point Pelee National Park
Grand
Niagara
Trent-Severn Waterway
Rideau Canal
Laurier House
Sir John Johnson House
Inverarden House
Fort Wellington Battle of the Windmill
Bellevue House Kingston Martello Towers
St. Lawrence Island National Park

Figure 4.4: Terrestrial Ecozones of Ontario


Terrestrial Ecozones of Ontario
100 0 100 200 kms
Boreal Shield
Hudson Plains
Mixedwood Plains

	Hudson Plains Tundra	Boreal Forests	Eastern Temperate Forests
Description	Centred in northern Ontario. Wetlands cover 90% of the region	Broad crescent- shaped area with high density of lakes situated on the Canadian Shield.	Extends from the St. Lawrence River across central Ontario to Lake Huron and west of Lake Superior along the border
Climate	Growing season 30-60 days Precipitation 75-125 cm Permafrost continuous in northwest isolated patches in the southeast.	Growing season 60-150 days Precipitation 50-100 cm sites	Growing season 150-250 days Precipitation 75-125 cm
Typical Vegetation	Low herbaceous plants, shrubs Willows Lichens Bearberry Various flowers	Coniferous trees, mostly spruce (with white pine in Great Lakes region) Sphagnum moss Bunchberry Blueberry Wintergreen, leather leaf	Hardwood forest, white pine, maple, beech, yellow birch, hemlock Trillium Wild ginger Bloodroot Milkweed
Typical Animals	Caribou Polar Bears Wolverine Fox Seal Whale	Moose Wolf Beaver Hare Lynx Wolverine Porcupine Squirrel, Chipmunk Black Bear Skunk	Deer Flying squirrel Rabbit Black Bear Raccoon Cougar Fox Opossum
Typical Birds	Ravens Snowy Owls Eagles Hawks Ptarmigan	Warblers Woodpeckers Chickadees Ravens Grosbeaks	Woodpeckers Loons Swallows Flickers

Figure 4.5: Terrestrial Ecoregions of Ontario

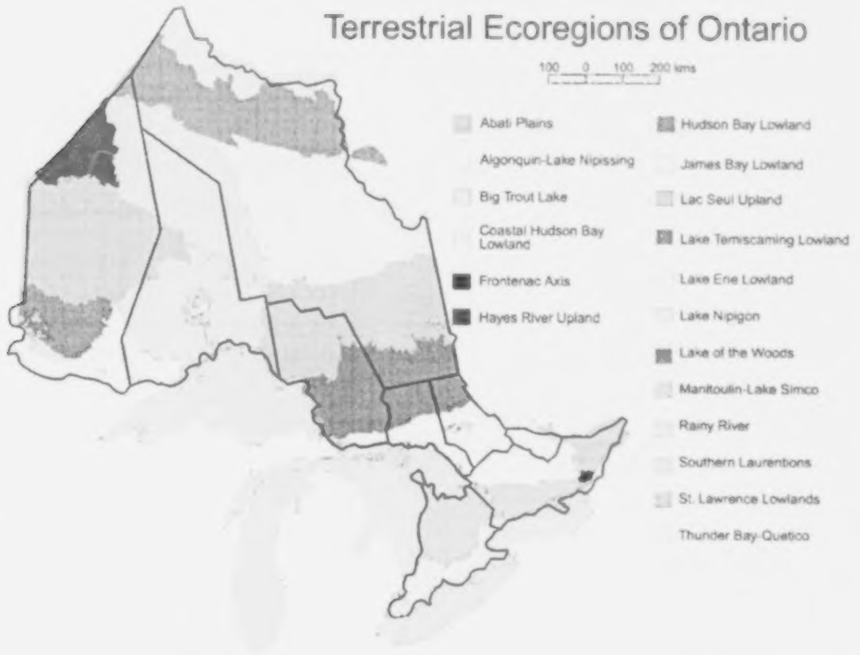
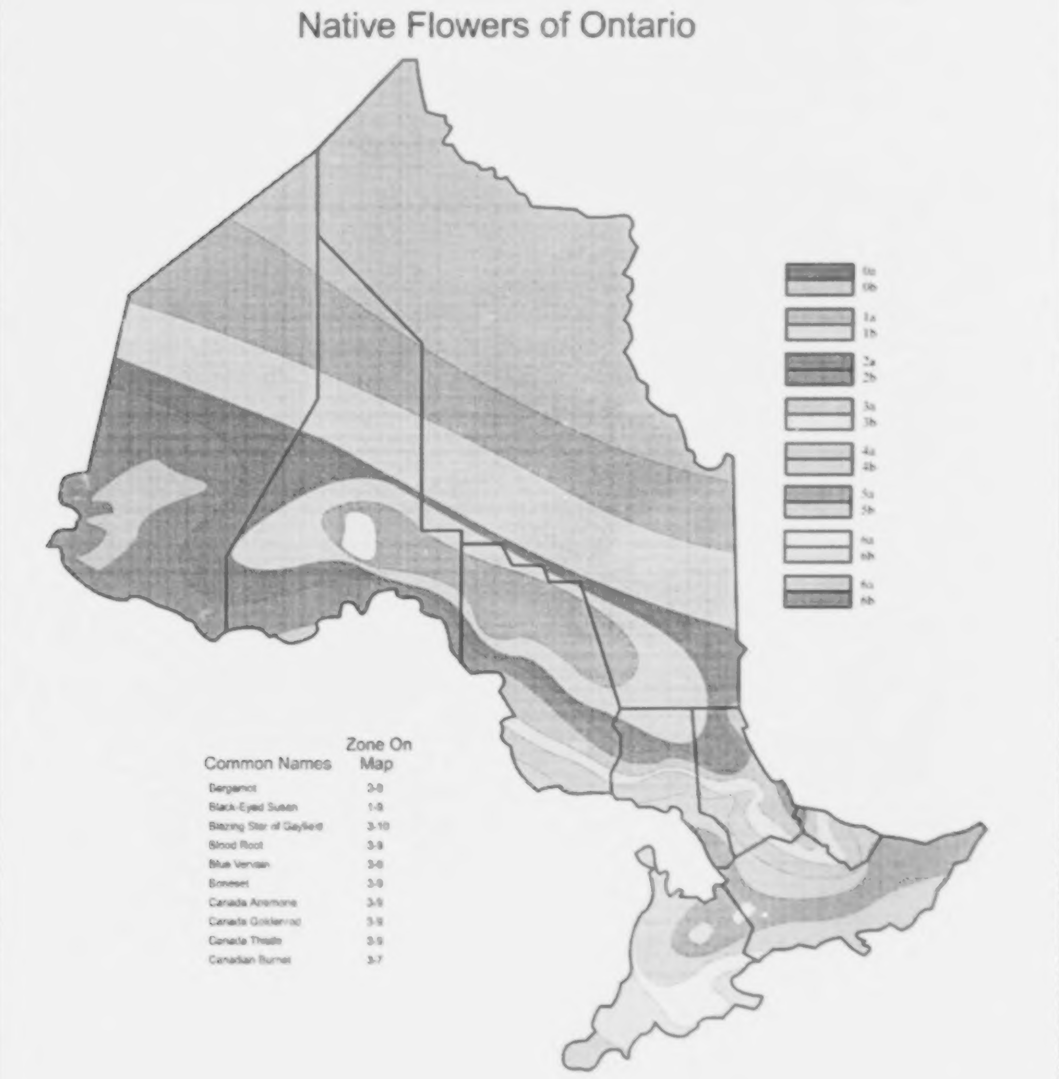
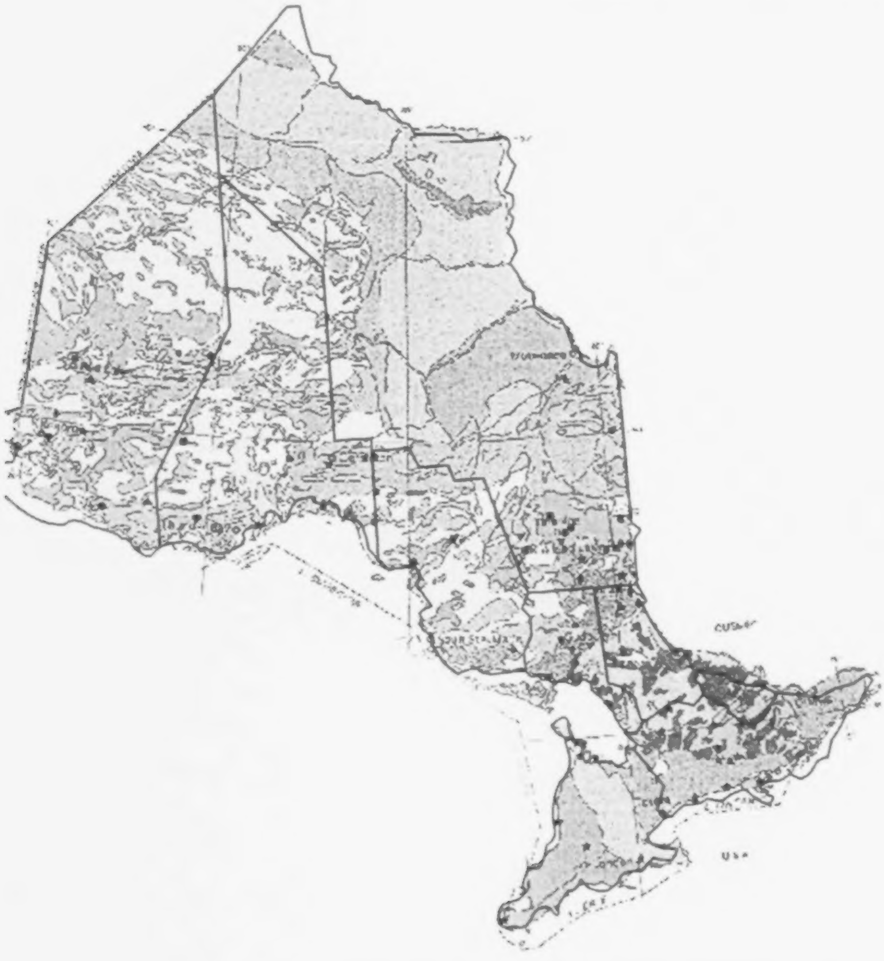

Terrestrial Ecoregions of Ontario
100 0 100 200 kms
Abati Plains
Algonquin-Lake Nipissing
Big Trout Lake
Coastal Hudson Bay Lowland
Frontenac Axis
Hayes River Upland
Hudson Bay Lowland
James Bay Lowland
Lac Seul Upland
Lake Temiscaming Lowland
Lake Erie Lowland
Lake Nipigon
Lake of the Woods
Manitoulin-Lake Simco
Rainy River
Southern Laurentions
St. Lawrence Lowlands
Thunder Bay-Quetico

Figure 4.6: Native Flowers of Ontario


Native Flowers of Ontario
0a
0b
1a
1b
2a
2b
3a
3b
4a
4b
5a
5b
6a
6b
6a
6b

Common Names	Zone On Map
Bergamot	3-9
Black-Eyed Susan	1-9
Blazing Star of Gayfeild	3-10
Blood Root	3-8
Blue Vervain	3-8
Boneset	3-8
Canada Anemone	3-9
Canada Goldenrod	3-9
Canada Thistle	3-9
Canadian Burnet	3-7

Figure 4.7: Geological Areas of Ontario



Assessing Resources by Region

We have compiled an inventory identifying those resources that represent an opportunity for resource-based tourism diversification. The inventory of tourism-related resources is broken down among the nine regions noted earlier in Figure 4.1. A large number of sources were used to collect the inventory information.

Method of Planning and Analyzing Ecotourism Attractions in the Nine Regions

Ecotourism natural and cultural assets exist in enormous number and variety. Natural assets are frequently associated with cultural elements (both past and present) and these cultural elements may include archaeological sites, towns, and traditions, folkloric art, historic monuments and sites. Both natural and cultural assets provide significant allure in today's market place.

As a means of assessing and determining competitive advantages, developing strategies and assist in planning it is suggested that within each of the nine regions, ecotourism attractions be divided into three categories: focal, complementary, and support attractions. (Ceballos-Lascurain 1994). They are defined as follows and within the list of attractions for each region we have tried to organize specific examples according to the following:

- **Focal attractions.** The most distinctive and appealing features of the natural and/or cultural heritage found in a specific region. They constitute intrinsic and singular elements of the region, and are the major reason for ecotourism travel to that region.
- **Complementary attractions.** Do not posses the singularly attractiveness to entice an tourist to travel a considerable distance. They contribute to a richer and more varied experience and provide added value to a region and further reason to visit. They also diffuse a potential concentration of tourists in an area that includes focal attractions.
- **Support attractions.** Services such as accommodation, restaurants, gas station, visitor centres, that support the visitor but are not the principal reason for visiting a region. This includes infrastructure that facilitates a visit to a specific area and provides a visitor with services and comfort.

STRATEGIES FOR ADDING VALUE TO THE TOURISM RESOURCE

A number of tourism strategies identified during the course of the study could add potential diversification opportunities which have region-wide application and which help to establish a conceptual framework for understanding the potential role that cultural/heritage tourism could play in the various northern regions. The strategies discussed in this chapter are broken into three categories:

- Theming of resources for presentation and interpretation.
- Coordinated marketing and development planning
- Environmental and community consideration.

Themes for Product Development

At present, tourism information services and marketing are largely organized on a site-by-site basis, typically focused on the larger communities of a region. This approach is suitable for directing tourists who come to a specific area. Tourists are given brochures and information, some of which tells them about attractions in the area, often as a presentation, which covers a number of other non-heritage, related tourist attractions as well. This is a traditional approach but tends to provide support only after a visitor is in the area. 'What am I going to do and see while I am here'.

Another approach for creating a conceptual framework for promoting tourism is theming. This involves categorizing resources with respect to specific subjects, historical developments, events and/or activities. A thematic approach to tourism offers a number of advantages over a local-area one:

- It provides a way to integrate specific sites in a manner that provides an overall understanding of a region.
- It relates the cultural/heritage and nature-based resources of the region into the pride and identity of the province as a whole.
- It also clarifies which province-wide themes are best interpreted in the various regions and assists in positioning the unique offerings of a region.

- It promotes and maintains ecological and commemorative integrity.

The use of themes can explain and structure a tourist experience of the region. Themes also provide a mechanism for individual operators to reach their special target markets and to partner (e.g. railway museums and rail artifact collections complement trails and linkages for community sponsored hiking trails and snowmobile routes).

In developing heritage and nature-based tourism product it is useful to clearly establish themes to guide product development and investment strategy. Recommended themes offering diversification opportunities are described in Figure 4.8.

Figure 4.8: Themes for Diversification Opportunities

Theme	Description
Maritime and waterway	
Voyageurs, explorers kayak and canoe travel Historic canals and portage routes Historic vessels, cargo, passenger, and tour service Lighthouses, marinas, Fishing industry and sport fishing Scuba and underwater archaeology	Water is probably the most important and dominant theme in Northern Ontario. An aerial view of Ontario's northland brings home this spectacular overview of lakes and rivers. Ontario's marine and waterway attractions have almost icon status. Water based activities have traditionally occupied and provided the major draw for tourism. And the winter landscape blanketed in snow creates an extraordinary resource. There are a number of opportunities to interpret for tourism this interesting and diverse attraction and the maritime tradition. For example linking recreational canoeing with recorded maps and diaries charting these historic routes can provide opportunities for time travel experiences where documents and diaries provide the agenda for retracing early the steps and experiences.
Railways	
Various rail lines and stations Railway museums and exhibits of artifacts Trestles and bridges Logging railways Rails and historic right-of-ways	Railway transportation has played an interesting and critical role in the history of Ontario. Historic railways adaptive use of abandoned rail lines, heritage train excursions, stations and artifacts are of interest.

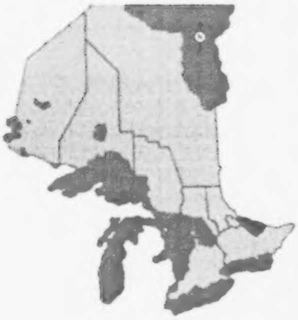
Theme	Description
Hardrock Mining	
Interpretation of mining sites Mining discovery and claims Transportation by rail and ship Settlement and labour history	Ontario's significant mining industry is only recently begun to be interpreted. Success stories like Dawson City with its gold rush theme support the statistics that visitors are interested in mining particularly gold mines. The funding associated with land reclamation and clean up are a potential source to expand the scope of work with an interpretive theme. Algoma Scenic train from the Sault
Economic History & Forestry Technology	
Logging sites and industrial tours Transportation of logs by water, rail, and vehicle Museums and displays of early logging equipment Industrial activity such as pulp and paper,	There are a number of good opportunities for the interpretation of logging sites; some are associated with the interpretation or restoration of logging railways or facilities. The R. B. McLean mill, in Port Alberni, BC was a family run saw mill. It was commemorated as a National Historic Site and is currently undergoing restoration. Within Ontario there are a number of opportunities to initiate the interpretation of one of the province's premier industries. As well if one follows through the interpretation of pulp and paper manufacturing offers a substantive interpretation opportunity for a place like Espanola.
Indigenous and Land Use	
Interpretation of Archaeological Sites Tourist attraction based on significant archaeological features Museum and display Ethnological and cultural activities Wellness and herbal knowledge Place names	As demonstrated by the extensive inventory of archaeological sites with the potential for tourism, there are numerous opportunities to develop and interpret pre-contact sites. This could capitalize on the interest in learning travel with active archaeological sites as experiential travel destinations. Some sites could be developed into major destination sites, such as the Viking-age Yarvik site at York, England or the Head Smashed in Buffalo Jump in Alberta. The commercial success of these sites is closely linked to the interpretation and presentation. Several factors constrain the development of archaeological sites for tourism purposes: Archaeological sites are often fragile and vulnerable to vandalism. Development potential is often limited by land ownership and zoning. Native Indian bands may have concerns over the development of prehistoric archaeological sites; and Many of the sites are in areas of limited carrying capacity where tourism attraction would have a negative impact on wilderness or other environmental values.

Theme	Description
European Exploration and Settlement	
Early fur treading posts and related settlements Graveyards and cemeteries Historic houses and gardens Historic Districts Industrial sites	The stories of the first arrivals by early European explorers are a valuable part of Ontario's legacy. Throughout the north a number of places could be interpreted with reference to this theme. It is an important theme, which is particularly well interpreted in southern Ontario by the large number of historic homes, gardens and museums. Whereas in the north is often overlooked or taken for granted. A case in point is the extraordinary legacy of early industrialist William Clergue. His vision for the development of Sault St. Marie is a dramatic and bold story that resulted in the magnificent collection of industrial buildings, canal and industrial sites. At present this story is only marginally interpreted. Another category of resources that provides considerable potential for interpreting the theme of settlement are cemeteries and graveyards. Visiting old graveyards as part of research into family histories and genealogical searches are increasingly popular activities for visitors. Linking this with local museums and municipal archives is a relatively low investment activities adding another dimension to the tourist experience.
Agriculture, Gardens and Horticulture	
Farm life Maple syrup Botanic and private gardens Parks, conservation areas	Ontario's interesting and often frustrating agricultural past could be interpreted at a number of historic farms perhaps as B and Bs with agricultural activities. Such activities as maple syrup production and the unique Haliburton forest canopy walk are good examples.
Social History	
Village life Architecture Religion Life in the wilderness	Downtown revitalization, festivals and events, and learning experiences can be provided which interpret traditional village life from bygone eras, celebrate historic architecture and churches, and the pioneering aspects of life in the wilderness

Source: Commonwealth Historic Resource Management Ltd.

THEMES AND FOCAL ATTRACTIONS BY REGION

On the following pages of this chapter we present the identified themes and focal attractions upon which resource-based tourism diversification opportunities can be developed. Resource-based tourist operators could consider packaging with these focal attractions, where appropriate, when diversifying into new markets featuring cultural tourism and ecotourism.



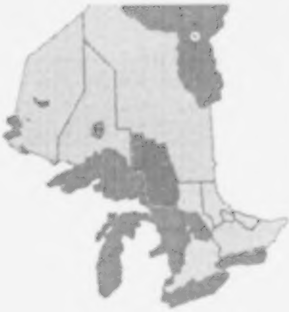
AREA 1 ~ Ottawa Valley *Cultural Landscape:* Ottawa River Basin and its tributary rivers strongly defines this region's environment and history	
Themes	**Focal Attractions**
First Nations Culture	• Algonquins at Golden Lake – Anishinabe experience • Bonnechere Park – Ontario Archaeological Society Field Dig and Workshops • Pikawanagan Traditional Pow-wow
European Exploration/Commerce	• Samuel de Champlain's explorations • Voyageur Route – Ottawa to Mattawa section • Bonnechere Park historic "Time Travel" tour itineraries
Forest Industry	• Lumber Barons Festival – Square timber trade – Algonquin Logging Museum • Petawawa Research Forest
	Complementary Attractions
Railway Transportation	• Ottawa – Parry Sound Line, K & P Line – now recreational trails
Settlement	• Opeongo Line Settlement Road tour • Maple syrup sugarbush sites – Fulton's, Wheelers • Celebration of the Flaming Leaf event • Rural Ramble tour of farms, and artisans • Ottawa Valley International Fiddling and Step Dancing Festival • Bonnechere Valley Ecotour • "History Buffs Tours" (OVCA) • Polish May Day at Wilno – Canada's oldest Polish Settlement • Valley Irish Culture – Douglas St Pat's Event • Museums – Arnprior, Renfew, Pembroke, Braeside, Combermere, Deep River, Killaloe • Area Farmers Markets
Recreation and Tourism	• Algonquin Park – Achray, Brent • Algonquin Park access – Barron River Canyon • Other Provincial Parks: Bonnechere, Fitzroy, Ottawa River • Whitewater Rafting and Kayaking
Energy Development, Communications & Military	• Chalk River Nuclear Plant • Foymount Communications Base • Diefenbunker, at Carp • CFB Petawawa and Airborne Forces • Museum

AREA 2 ~ Near North *Cultural Landscape:* Mattawa French Rivers, Temagami, Lake Nipissing, Ottawa River to Lake Temiskaming	
Themes	Focal Attractions
European Exploration/Commerce	• Mattawa - Lake Nipissing and French River Voyageur Route • Samuel de Champlain Provincial Park – Champlain's Exploration and Voyageur Interpretive Centre • Mattawa Voyageur Festival • Sturgeon Falls Hudson's Bay Company Post Interpretive Centre
	Complementary Attractions
First Nations Culture	• Dokis First Nation – Ojibwe Culture, French River • Temagami First Nations Culture and Pow-wow
Railway Transportation	• Ontario Northland's headquarters at North Bay
Forest Industry	• Timber Train attraction at Mattawa • 100 year old steam powered saw mill at Field • Tilden Lake Logging Camp Exhibit
Settlement	• Nipissing Colonization Road , Muskoka Road, Old Rye Road - Ghost Trails • Corbeil and Callander – Dionne Quintuplets story • Museums: Commanda, Elmsdale, Magnetawan, Marten River, Mattawa, Nipissing, North Himsworth, North Bay, Sturgeon River, Sunridge
Recreation and Tourism	• Lake Temiskaming to Ottawa River Waterway • Grey Owl/Temagami Wilderness Festival • Wanapitei Canoe Centre • Temagami Canoe Company (tradition cedar strip canoe shop) • Lady Evelyn-Smoothwater Wilderness Park canoe routes • Provincial Parks: Algonquin, Finlayson, Marten River, Mikisew, Restoule, Samuel de Champlain
Air Transportation and Military	• Canador College Heliport, Cold War BOMARC Missile Site
Ecological Resources	• Tilden Lake: Junction of the Grenville and Superior "provinces" of the Canadian Shield Grey Owl/Temagami Wilderness Festival • Marten River "Black Forest" • Wakimika Triangle Old Growth Forest • Caribou Mountain (Temagami) Project Peregrine project • Crystal Falls

AREA 3 ~ Rainbow Country

Cultural Landscape: Lake Huron – North Channel, Manitoulin Island, La Cloche Mountains

Themes	Focal Attractions
First Nations Culture	• Manitoulin First Nations – Wikwemikong Pow-wow, Ojibwe Cultural Centre, West Bay , Dreamers Rock, Whitefish Bay
European Exploration/Commerce	• Killarney and North Channel connection to the Voyageur Route
Maritime Transportation	• North Channel and Lake Huron Maritime History Marine • History sites: Underwater dive sites on wrecks, (contact SOS Sudbury Chapter), Norlsle Ferry at Manitowaning, • Chi Chemaun Ferry – Tobermory to Manitoulin • Historic Coastal Lighthouse at Meldrum Bay, Manitoulin Island • Port Severn Marine Railway
	Complementary Attractions
Railway Transportation	• Espanola: Algoma Eastern Railway heritage (trail development) • Capreol-Railway Museum
Hard Rock Mining	• INCO Mine tours, Big Nickel, Dynamic Earth
Forest Industry	• Espanola Pulp and Paper Tours
Settlement	• Anderson Farm Museum: Dairy farming, Finnish settlement, life in first 3 decades of the 20th Century • Manitowaning-Assiginack Museum • Manitoulin Roller Mills (restored heritage flour mill in Manitowaning on Manitoulin Island)
Recreation and Tourism	• 30,000 Island Cruise Boat, Parry Sound • OSA Lake, Killarney Park and the Group of Seven Artists • Provincial Parks: Chutes, Fairbank, Grundy Lake, Halfway Lake, Kllarney, Killbear, Massassauga, Oastler Lake, Six Mile Lake, Sturgeon Bay, Windy Lake
Ecological/Geology	• Science North • LaCloche Mountains Silhouette Trail • Providence Bay Sand Dunes and Beach



AREA 4 – Algoma Country *Cultural Landscape:* Lake Superior	
Themes	**Focal Attractions**
First Nations Culture	• Agawa Pictographs, Rock Art • Serpent River First Nations: Woodland Native Art Gallery, Trading Post
European Exploration/Commerce	• Ermatinger Heritage Site – North West Co. post, Sault Ste Marie • Michipicoten Hudson's Bay Post And Bethune Cemetery • Fort St Joseph – 1796 military and fur trade fort – National Historic Site
Maritime Transportation	• North Shore of Superior Heritage Coast history of Marine and Commercial Fishing Sites, including Wreck of the Edmund Fitzgerald interpretation
Railway Transportation	• Agawa Central Railway Excursions: Tour of the Line, Agawa Canyon Tour Train, Snow Train, Luxury By Rail Private Car, Canyon View and Camp Car • Hornepayne 1921 Railway Engine House (one of 2 in Canada in active use)
	Complementary Attractions
Mining	• Bruce Mines – Copper mining heritage at Simpson's Mine Shaft • Elliott Lake Nuclear and Uranium Mining Museum
Forest Industry	• Dubreuilville Sawmill Tour • Domtar Forest Interpretive Tour, White River • Timber Village Museum, Blind River • Fire Tower Lookout, Elliott Lake • Espanola Forest Industry Tours
Recreation and Tourism	• Provincial Parks: Batchawana Bay, Pancake Bay, Lake Superior, Obatanga, Potholes Nature Reserve, White Lake, The Shoals, Wakami Lake, Missinaibi, Mississagi • Waterfall attractions: Magpie High Falls and Silver Falls, near Wawa, Aubrey Falls, north of Thessalon • Winnie the Pooh Hometown Festival, White River (1st World War historical connection to A.A. Milne's classic children's story) • Chapleau Crown Game Preserve, noted black bear capital of Ontario • Elliott Lake Deer Trail which combines history, geology, and nature
Air Transport	• Canadian Bushplane Heritage Centre in Sault Ste. Marie

AREA 5 ~ James Bay Frontier

Cultural Landscape: James Bay Lowland region, Historic Rivers: Albany, Moose/Missanaibi, Winisk

Themes	Focal Attractions
First Nations Culture	• Mattagami First Nation • Constance Lake First Nation • Mattice – Historic First Nation cemetary, on the Missinaibi River • Moose Cree First Nation, Moose Factory • Moose Factory Cree Village and Ecotourism Centre Project • James Bay communities of Fort Albany, Kashechewan, Attawapiskat, Peawanuk
European Exploration/Commerce	• Historic Fur Trade Canoe Routes: Abitibi River, Mississagi River, Missinaibi Heritage River (over 20 archaeological sites) Winisk River, Albany River, Kesagami River, Montreal River Heritage Tours • De Troyes Expedition of 1686 interpretation at Iroquois Falls Pioneer Museum • Moosonee – Revillon Freres Museum, fur trading post history • Moose Factory – historic fur trade settlement, 1673, Centennial Park Museum
Railway Transportation	• Polar Bear Express and Little Bear trains from Cochrane to Moosonee on James Bay • Cochrane Railway and Pioneer Museum • Hearst – Terminus of Algoma Central Railway line to Sault Ste Marie
Mining	• Cobalt – Heritage Silver Trail, Northern Ontario Mining Museum • Haileybury School of Mines • Kirkland Lake: Miner's Monument, Spirit of Gold Tour of 25 area geological and mining history sites • Museum of Northern History at Sir Harry Oakes Chateau • The Golden Highway Tour – Englehart to Quebec border along Highway 66 • Kerr Addison Gold Mine, underground tour • Matachewan – Heritage Gold Mine Sites Tour • Timmins: Underground Gold Mine Tour, Kidd Creek Metallurgical Site, Timmins Museum- Mineral Exhibits, and Mining Heritage Collection
	Complementary Attractions
Forest Industry	• Latchford – Ontario Loggers Hall of Fame • Elk Lake Community Forest Tour • Gogama-Jack Pine Trail : forest reclamation demonstration project • Iroquois Falls Pulp and Paper Path Tour • Lake Abitibi Model Forest • Kapuskasing "Garden City" company townscape
Settlement	• New Liskeard, Little Claybelt Homesteaders Museum • Englehart Historical Museum • Gowganda Museum • Matheson- Historic Watabeg Log Church, Thelma Miles Museum • Kapuskasing- Community Culture Tour, including, Agriculture Canada's Experimental Farm, Jos Godin La Forge Heritage Blacksmith Shop, General Motors Cold Weather Test Facility, Ron Morel Memorial Train Centre • Iroquois Falls Jus Jordan Artefact Collection • Hearst Ecomuseum-Interprets immigration settlement and resource development history of the region • Moosonee Christ the King Cathedral
Recreation and Tourism	• Charlton's Hill Lake Fish Hatchery • Provincial Parks: Esker Lakes, Fushimi Lake, Greenwater, Ivanhoe Lake, Kap-Kig-Iwan, Kettle Lakes, Nagamisis, Rene Brunelle, Tidewater
Military History	• Kapuskasing Prisoner of War Internees Cemetery

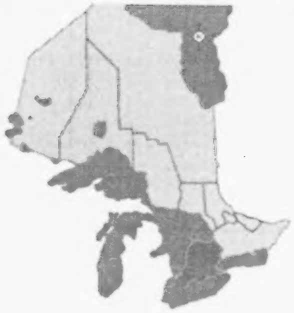
AREA 6 ~ North of Superior

Cultural Landscape: Lake Superior, historic voyageur riverways Precambrian Canadian Shield/Boreal Forest Interior Lands

Themes	Focal Attractions
First Nations Culture	• Pukaskwa Pits, Pukaskwa National Park • Thunder Bay - Paleo Indian Archaeological sites
European Exploration/Commerce	• Fort William, Kamistikwia River and Quetico-Boundary Waters Historic Voyageur Canoe Routes from Lake Superior to Lake of the Woods • Mountain Portage – Kakabeka Falls: Part of Historic Canoe Route to the West, traversed by Alexander Mackenzie, Simon Fraser, David Thompson • Bloodvein Heritage River
Maritime Transportation	• North Shore of Superior and Great Lakes Shipping History at Thunder Bay • Rossport Village – Gunilda 1911 Wreck site
	Complementary Attractions
Railway Transportation	• Upsala- 1882 CPR Railway Depot • Nakina Heritage Railway Station • Schreiber Railway History
Forest Industry	• Interpretation at Provincial Parks • Tours of Pulp and Paper Operations at region's mills, by appointment
Settlement	• Nakina – Vanderbeck Cabin Trapping Family Museum • Thunder Bay Museum
Military History	• World War II Prisoner of War Camps at Neys Provincial Park, and Angler, near Marathon
Recreation and Tourism	• Provincial parks include: Kakabeka Falls, MacLeod, Neys, Ouimet Canyon, Pigeon River, Rossport, Rainbow Falls, Sleeping Giant (Sibley), and Ontario's newest and largest provincial park, Wabakimi

AREA 7 ~ Sunset Country ***Cultural Landscape:*** **Rainy River, Lake of the Woods, Boundary** Waters-Quetico region, Inland historic river and lake canoe routes	
Themes	**Focal Attractions**
First Nations Culture	• Turtle River-White Otter Pictographs, and Petroglyphs • Long Sault - Kay Nah Chi Wah Nung Historical Centre, interprets pre-european burial mounds site • Quetico Park Pictographs "rock art" • Painted Rock Island Ancient Rock Paintings (800-900 years old) • Sioux Narrows Pictographs • Paleo Indian Sites on glacial Lake Agassiz • Pakwash Rock Art • Pow Wows: Atikokan, Whitefish Bay, Big Grassy, Big Island, Lac Seul, Wabigoon, Shoal Lake, Couchiching, Rainy River • Sioux Narrows Inter-tribal battle site between Ojibwe and Sioux
European Exploration/Commerce	• Boundary Waters Voyageur Canoe Route, through to Lake of the Woods, and the Winnipeg River • Fort St Pierre reconstruction • Eagle River Hudson's Bay and North West Company posts
	Complementary Attractions
Maritime Transportation	• Kenora – Lake of the Woods Museum interprets steamship, commercial fishery history • Morson – Tomahawk Lighthouse (100 years old)
Railway Transportation	• Rainy River CNR depot and yards • Minaki Lodge
Mining	• Atikokan Mining Attractions, tours
Fishing	• Interpretation of commercial fishing at Lake of the Woods Museum
Forest Industry	• Fort Frances- Abitibi Mill Tours • Dryden – Weyerhauser Pulp and Paper Tours • Fort Frances – logging boat Hallett
Settlement	• White Otter Lake Castle • Rainy River – Terminus of Yonge St (Hwy 11), and Women's Institute Museum • Lake of the Woods Museum interprets all the themes – First Nations, lumbering, mining, water power, flour milling, and lake transportation • Keewatin - Mather-Walls Heritage House, home of John Mather, lumberman • Dryden – Egli's Sheep Farm
Air Transportation	• Red Lake-Bush Plane History, at Norseman Festival
Recreation and Tourism	• Provincial Parks: Aaron, Blue Lake, Caliper Lake, Ojibway, Pakwash, Quetico, Rushing River, Sandbar Lake, Sioux Narrows, Woodland Caribou

AREA 8 ~ Eastern Central *Cultural Landscape:* Rideau Canal, Trent Severn Canal, 1000 Islands, Kawartha Lakes, Haliburton Highlands	
	Focal Attractions
First Nations Culture	• Akwesasne First Nation Culture and Eco Centre • Petroglyphs Provincial Park • Serpent Mounds Park, Rice Lake • Rice Lake First Nations
European Exploration/Commerce	• Rideau Heritage Route from Ottawa to Kingston • Fort Henry National Historic Site • Fort Wellington National Historic Site • Peterborough: Canadian Canoe Centre
Maritime Transportation	• Trent Severn Canal System, Rideau Canal Waterway, St Lawrence Seaway, and 1000 Islands
	Complementary Attractions
Railway Transportation	• Smiths Falls Railway Museum • Havelock Freight Yards • Victoria Rail Trail • Rail's End Gallery, Haliburton
Mining	• Uranium, gemstone mining at Bancroft, Iron Mines at Marmora
Forest Industry	• Lindsay – Sir Sandford Fleming Forest and Ecology Centre
Settlement	• Kawartha Lakes: Catherine Parr Traill House, area museums • Red Cross Outpost Museum, Wilberforce • Lanark County: Maple Syrup Capital of Ontario – Sugar bush tours • Icelandic Memorial at Kinmount
Recreation and Tourism	• Provincial Parks: Balsam Lake, Bass Lake, Bon Echo, Carson Lake, Charleston Lake, Darlington, Emily, Ferris, Frontenac, Lake on the Mountain, Lake St. Peter, Mara, Mark S. Burnham, McRae Point, Murphy's Point, North Beach, Petroglyphs, Presqu'ile, Rideau River, Sandbanks, Sharbot Lake, Sibbald Point, Silent Lake, Silver Lake, Voyageur



AREA 9 – Southwest Ontario
Cultural Landscape: Rolling agricultural lands, Grand River Heritage River, Lake Erie, Lake Huron Coastal areas

	Focal Attractions
First Nations Culture	- Six Nations of the Grand River Territory – Woodland Heritage Centre, Kanata Heritage Village, Odrohekta Visitor Centre, tours and events
European Exploration/Commerce	- Ste. Marie Among the Hurons
Maritime Transportation	- Fathom Five National Park – Heritage shipping dive tourism
	Complementary Attractions
Railway Transportation	- Port Stanley – London Heritage Train
Settlement and Agriculture	- Niagara Wine Producing area - Mennonite Village and tour region, Kitchener-Waterloo, St Jacobs - Countless Museums, art galleries, theatre - Chatham-Dresden area: Black Heritage Underground Railway Trail and Interp Centres
Mining	- Petrolia Oil Fields, Museum
Recreation & Tourism	- Provincial Parks: Awenda, Bronte Creek, Craigleith, Earl Rowe, Inverhuron, Ipperwash, John E. Pearce, Long Point, MacGregor Point, Pinery, Point Farms, Port Bruce, Port Burwell, Rock Point, Rondeau, Sauble Falls, Selkirk, Springwater, Turkey Point, Wasaga Beach, Wheatley - Bruce Trail

OPPORTUNITIES FOR COMMUNITIES AND LODGE OWNERS

As indicated in the preceding summary of themes and focal attractions, Ontario offers a multitude of opportunities to better promote the cultural heritage of its people and landscape. Despite considerable work and expense in identifying, inventorying, and researching the province's history, Ontario's resource-based tourism industry has a long way to go before it matches the intelligent packaging that other jurisdictions in the United States or the United Kingdom are noted for.

All of these have enormous potential, particularly if they were packaged together and promoted as opportunities for tourists to experience and to learn from. Together, they can provide new dimensions, which will greatly enhance the total attractiveness of Ontario as a destination for residents and international visitors alike.

Cultural and heritage tourism along with non-consumptive nature-based products and experiences play an important role in tourism activities offered in southern Ontario.

- Southern Ontario extending from Ottawa along the Seaway to Toronto – Niagara Falls area offers world-class tourist attractions that have a strong and established basis in culture and heritage as well as outdoor life experiences. Southern Ontario businesses offer a more diverse range of experiences than their northern counterparts. People come in large numbers to see historic houses, to bird watch, to visit gardens, as well as to visit industrial archaeology sites, conservation districts, and museums.
- Northern Ontario does not have the same extensive base of developed cultural and heritage resources – although the contextual history and the inventory reveal the potential for added value through these types of attractions is great.

The present appeal of these regions is based on their natural resources with current product focus on fishing, hunting and outdoor family vacations. As a consequence, cultural/heritage tourism along with non-consumptive nature-based products and experiences may be seen as being important tools in increasing the breadth and meaning of visits to the northern regions of the province.

- Through our consultations, site visits and interviews, operators cited an interest in the integration of a heritage component along with cultural experiences (Aboriginal) which appears to be stronger than one might first think.
- The visitor data indicates that some 20 per cent of all visitors identified local cultural experiences – a museum or historic site – as desirable activities.

- Statistics challenge the prevalent assumption that the scenic and wildlife resources of the northern regions are its primary tourism asset.

All tourists – even those whose principal objective is hunting and fishing and wildlife – are drawn to places where there are an abundant and variety of activities that are interesting and accessible.

- Non-consumptive tourism supports other tourism activities by providing additional experiences and places of interest to visit.
- The ability of a specific operator to attract tourists depends on its having sufficient different attractions. The more activities that are available, the longer will be the stay.
- The direction the project followed was based on several factors. For sustainability reasons, and to make the required impact on local visitors and the international and overseas markets, marketing and market development simply cannot be left at the individual site level.
- Most private operators do not have ownership of or control over the heritage and cultural sites.
- Furthermore, the diversity of local communities outside of southern Ontario offers superb experiences which can be marketed together with heritage and nature sites.
- Finally, from an operational perspective, developing and managing heritage, nature and community tourism products requires special attention to institutional structures, and new approaches to put the foundation for continued growth and maturing of this important product area.

PRODUCT DEVELOPMENT OPPORTUNITIES

In this section of the chapter we have highlighted three types of overall product development opportunities that take advantage of Ontario's abundant natural and cultural resources and will help resource-based tourist operators to diversify, including:

- "Heritage Routes" packaging concept

- Understanding and interpreting heritage significance
- Developing cultural tourism packages with First Nations

Developing "Heritage Routes" in Ontario

Several observations led to the development of a heritage routes approach to help strengthen resource-based tourism product and market development, including:

- Most sites are in public ownership and/or located on Crown land
- Many of the sites individually do not offer a strong enough attraction to draw significant visitation
- Marketing and promotion of heritage and nature-based sites is done on an individual basis. The consumer is hard pressed to synthesize and understand the significance of the variety of sites available.

Heritage Routes could be introduced to overcome these market constraints and increase the motivation of visitors to explore. The Heritage Routes concept includes:

- Designated touring routes (potentially by all modes of travel), which serve as products in and of themselves by integrating a selection of nature and heritage tourism sites, and as a lure piece for further exploration by visitors.
- Designation of 'destination' areas, which offer a concentration of heritage and nature-based experiences and will increase the incentive to visit the destination.
- Specialty "Heritage Routes" which are based on specific themes and tell an integrated story about a particular aspect of the province's history or natural attributes.

The infrastructure required to implement the Heritage Routes experience to achieve the desired marketing impact is summarized in Figure 4.9 below:

Figure 4.9: Possible Elements of a "Heritage Routes" Concept

Possible Heritage Routes Element	Description
Route Identification	A well planned theme or story link between places; Well resourced information centres to orient visitors Clear, consistent, and simple Heritage Route signage which is distinctive and themed. This signage provides direction to the individual traveler and strengthens awareness of the project. It requires the development of themes for each route and a logo to serve as a signage identifier.
An Official Heritage Routes Experience Guide and Map	Distributed free at hotels, tour operators and through venues appropriate to the resident market (e.g. the school system) It would be used as a motivator and lure piece for all market segments. It should feature not only heritage and nature sites and experiences but also communities and services.
On-Site Interpretation linked to Heritage Routes Experience	The content of the interpretation should be easy to follow. It should reinforce the messages from linked sites but should also stand alone. Each site should focus on a core item to which all other content can be linked.
Heritage Routes Experience Internet hosted Hotline	An information service to help potential consumers to select routes and answer questions related to available services, particularly for private operators to assist guests.

The Heritage Routes system is not intended to supplant private sector tour operators and outfitters. Rather it will significantly enhance this part of the tourism business by providing better and more relevant information to potential customers. Customers who are seeking tours offered by the private sector would arrange these through the resource-based operator, or through the Heritage Routes Experience Web site.

Understanding and Interpreting Heritage Significance

The following guideline is developed to help focus a site's planning and decision making process. Unless heritage significance of a site is adequately defined and the heritage/cultural resources identified there is a potential that they will not be adequately protected. Heritage/cultural resources and sites are a part of history along with other aspects such as traditions, oral history, songs, dances and objects. Heritage enables us to tell stories about the land, its people and the birds and animals that inhabit a place.

Sites that are part of our heritage are considered to have significance. Significance is the way the special qualities of [illegible] place are described. This can be local, provincial, federal and international. It does not just describe the biggest and the best, it also helps describe the more subtle and complex natural and cultural characteristics.

Historic Sites usually posses many different values. What makes a place significant may not be apparent. It may have value aesthetically, socially, spiritually, or symbolically.

- **Why significance and understanding it is important.** The chance to experience something unique, beautiful, rare, authentic, or of great cultural value provides a strong appeal for tourists. The market appeal of heritage attractions is related to, and can be closely linked to their recognized heritage significance. Significance can be one of the key selling points for tourism products. The advantages of having a clear understanding of significance are:
    - Operators can develop unique and more sophisticated products tailored to visitor interest.
    - Communicating significance to customers helps operators deliver a more enriching experience, and higher customer satisfaction and
    - Heritage managers and operators can consider what is appropriate and assure that commemorative integrity is protected.
- **Interpreting heritage significance.** When considering how to present the story and interpret the information about a heritage place there are several things worth considering:
    - What sites are in the area?
    - Would it be appropriate to take visitors there and are the site's heritage values respected by decisions or actions impacting the site?
    - What cultural resources symbolize or represent the significance of the place?

- What is the best way to present the significance? For example, have an Aboriginal guide explaining the significance of a Native site and its resources.
- What are the messages that need to be conveyed? Are there themes related to the site which could be woven into a tourism product? A good example is the Underground Railway in Canada. The story of sympathetic black and white abolitionists that assisted escapees. This story links a number of sites stretching from Nova Scotia to Southern Ontario.
- What elements of significance not widely known can be explored.
- How are historic sites connected and how can they be used in a tour. Or on-site interpretation.
- How can the special significance of a site be appropriately marketed and promoted.

Developing First Nations Cultural Tourism Packages

Ontario's First Nations communities have the potential to be increasingly active players in the diversification of the tourism industry in this vast and culturally diverse region. There is a growing demand for aboriginal tourism experiences from international travellers to Canada. There is also steady growth in Aboriginal tourism enterprises and First Nations community development projects which are increasing the Aboriginal tourism product across the province.

In spite of these trends, there remain sizeable gaps in knowledge and understanding between Aboriginal and non-Aboriginal people. There is a continued need to foster cross-cultural exchanges and discussions between these cultures. Tourism has the potential to bridge gaps, and it also has the reverse potential to broaden the cultural chasm if certain protocols are not followed.

Non-Aboriginal tourism operators, tour planners, and destination marketing organizations are traditionally the first line contacts with tourists. These tourism industry personnel are key people. They have the ability to educate travelers to First Nations communities and special events on the appropriate cultural protocols.

A number of jurisdictions have developed guidelines for Aboriginal (or indigenous) tourism, which have relevance for the Ontario context.

These are aimed at the operator, and include considerations such as:

- Preparing your guests by familiarizing yourself with information about local indigenous people
- Seeking permission to enter lands and communities and getting permits if required
- Recognizing different styles of communication
- Respecting privacy
- Demonstrating appropriate behaviours at Aboriginal sites, including guidance on photography
- Respecting intellectual property in the sale, publishing or copying of images, artifacts, music, dance, stories,
- Supporting authentic labeled souvenirs.

A broad range of specific potential product development opportunities, which resource-based tourist operators could consider to diversify their product lines, are listed in the following chapter of this report.

5 – OVERALL SWOT ANALYSIS AND OPPORTUNITIES

This chapter focuses on identifying the existing and potential strengths and weaknesses of Ontario's resource-based tourism products and the opportunities and threats that may be faced during the diversification process. Later we present an overall long-list of diversification opportunities.

The strengths, weaknesses, opportunities and threats for the development and marketing of Ontario's resource-based tourism sector varies somewhat by region and within each region. However, the analysis below illustrates the overall strengths, weaknesses, opportunities and threats for the industry as a whole.

KEY STRENGTHS

Ontario has a number of key marketing and product strengths relating to adventure/ecotourism and cultural heritage. These have been divided into categories in the listing of strengths below:

+ Key Strengths

- **Natural Resources**
    - Unique and vast untouched wilderness setting, much of it truly remote
    - The Great Lakes
    - Hundreds of thousands of inland lakes and waterways and the often unique flora and fauna they support
    - Abundant wildlife including large mammals, such as bear (black and polar), moose and Caribou
    - Significant natural attractions, including Niagara Falls
    - Largest growth of white pine in North America, including unique old growth stands
    - Boreal forests
    - James Bay and Hudson Bay, plus adjacent lowlands natural environment
    - Extensive Precambrian Shield with abundant minerals

+ Key Strengths

- Outstanding wilderness parks, such as Pukaskwa National Park, Quetico Provincial Park and Algonquin Park
- Many other provincial parks throughout the Province with extensive trail systems, waterways and other natural resource-based features of interest to visitors

◆ **Fishing & Hunting**

- Numerous lakes and rivers provide one of the best freshwater fishing resources in North America
- An excellent supply of outfitters offering fishing/hunting products to the market, catering to wide range of market segments
- Strong support by operators for the practice of conservation/catch-and-release fishing

◆ **Heritage & Culture**

- Traditional and authentic Native culture (e.g., James Bay, Manitoulin Island)
- Internationally significant heritage sites such as Kay-Nah-Chi-Wah-Nung near Fort Frances and several in Southern Ontario
- Heritage waterways
- 240 National Historic Sites throughout Ontario

◆ **Product**

- A good range of accommodation types available
- A large supply of cabins and lodge type facilities to cater to the outdoor adventure and ecotourism markets
- Southern Ontario offers a diverse range of experiences
- Success of niche and specialty programs such as "Paddling Ontario" and "Arts in the Wild"
- Strong operator support for adding ecotourism activities that do not require major investment (e.g. bird watching, kayaking/canoeing and hiking/walking tours)

◆ **Market**

- Strong rubber tire market from the U.S border states of Michigan, Wisconsin, New York, Minnesota, Pennsylvania, Ohio and Illinois
- Significant local tourism market, although the average spend is considerably less than the U.S. and international counterparts

+ Key Strengths

- Southern Ontario has access to a large day-trip market
- Some penetration already of the international marketplace – especially Europe (U.K., Germany, France)

KEY WEAKNESSES

Ontario has a number of weaknesses, which relate primarily to the untapped potential in terms of adventure and ecotourism product and also consistency in the standard of product offered. Northern Ontario, however, has additional challenges such as access and travel time to many of its destinations.

– Key Weaknesses

- **Product**
    - Ontario tourism industry yet to fully capitalize on the province's extensive wilderness and resource-based recreational opportunities
    - Many lodges and cabins are in need of upgrading and maintenance, especially if they are to pursue the soft adventure, ecotourism and family markets
    - Little regional product differentiation, with the exception of the far north, which is primarily Aboriginal and outpost camp orientated
    - Lack of packaging beyond accommodation, meals, boats and motors
    - Only a small percentage of lodges are offering broader outdoor adventure or nature-based packages
    - There is significant untapped potential for winter products (e.g., snowshoeing, cross-country skiing, dog sledding and snowmobiling)
    - Northern Ontario lacks the extent of diversity of experiences compared to Southern Ontario
    - Historic sites are well-covered in tourism literature but tend to be stand-alone attractions and typically not packaged well

– Key Weaknesses

- **Marketing**
  - Lack of market information and research to enable operators to effectively penetrate new markets
  - Operators believe that many of the provincial marketing initiatives have not adequately recognized distinct areas in the north
  - A focus on destination marketing by area and the limited presence of themed or grouped approaches by type of experience
- **Certification and Standards**
  - Lack of a uniform rating system to monitor and indicate grades or standards for resource-based accommodations and products
- **Seasonality**
  - Low shoulder season and winter visitation, with the vast majority of tourism taking place in the months of July and August.
- **Finance**
  - Lack of awareness among operators of how to access grants, funding and assistance from various agencies
  - Inadequate capital assistance available and many operators do not have the funds to contribute to capital projects such as facility upgrades
  - Current revenues often preclude the ability to secure financing
- **Access**
  - The issue of access applies primarily to the Northern regions of Ontario, as travel time and schedules can be a major deterrent to visitors
  - High cost of access to some of the more remote regions of Ontario
  - Access to telecommunications technology in remote areas

KEY OPPORTUNITIES

Given the strengths and weaknesses there are a number of key resource-based tourism opportunities that Ontario is well-positioned to capitalize on. The opportunities relate mainly to Ontario's abundant natural and cultural resources and packaging these effectively to create unique experiences that offer visitors a variety of activities.

– Key Opportunities

- **Product**
  - Strong demand for outdoor adventure, learning vacations and creating nature-based interpretive experiences
  - Additional winter product needed (e.g. snowmobile, survival training, dog-sledding, snowshoeing and cross-country skiing) to cater to the growth in these markets
  - Creation of "time travel" packages following historic routes (water and land)
  - Strong potential for further developed cultural and heritage resources based on the area's contextual history and features
  - Sites of interest along stretches of highway in the north and northwest would help improve and animate visitation
  - Conferences and retreats in the shoulder seasons
  - Spa facilities/retreats, ideally linked to a uniquely Ontario natural resource (e.g., water/springs, soils/muds, minerals, flora)
  - Possibly more "agri-tourism" products and linking them effectively with existing product (e.g., maple syrup production)
  - Develop and interpret pre-contact (Aboriginal) sites – the concept of active archaeological sites as experiential trav[illegible] destinations
  - Interpretation of the first arrivals by early European explorers (e.g., industrialist William Clergue and his vision for the development of Sault Ste. Marie)
  - Some cemeteries and graveyards hold potential for interpreting the theme of early settlement
  - Ontario's significant mining industry could provide interpretive attractions
  - Interpretation of forestry industry sites and processing plants, especially in places like Espanola.

– Key Opportunities

- **Market**
  - Strong U.S. potential in activities such as hiking/walking and biking (189 million) as well as wildlife viewing (108 million viewers) and learning vacations
  - Also large U.S. market for water-based tourism such as swimming (134 million), boating and sailing (89 million)
  - There is significant scope to capture more of the family market
  - Untapped potential in the European markets (e.g., UK, France and Germany), which contain high yield tourists
  - The internet provides a cost-effective method for reaching a diverse market audience (links to other sites are key)
- **Human Resources**
  - Establish links with educational institutions offering courses in tourism, geography, biology, natural sciences and history. These institutions could provide a valuable seasonal work force.
  - Opportunity to hire keen young international travelers on a part-time basis
- **Packaging**
  - Creation of thematic links, establishing tours and routes based on manufacturing and industrial heritage, including mining and forestry
  - Broader product packaging, to encompass a range of activities, not just accommodation packages
  - Use of collective approaches/product clusters (e.g., Arts in the Wild, Paddling Ontario)
  - There are 240 National Historic sites in Ontario that can be linked under many different themes and programs
  - Integrate culture and heritage into resource-based activities, do more cross-selling
- **Partnerships**
  - TIAC collaborative accord with Parks Canada to "foster sustainable tourism" and establish industry certification
  - Rural products to partner with urban experiences and attractions
  - Broaden the range of potential partners, establish links with

– Key Opportunities

museums, historic sites and attractions that complement the eco/adventure products

- Non-traditional partnerships with suppliers to the industry (e.g., credit card, insurance, computer systems companies)

◆ **Finance**

- Capital resources available to communities that may benefit resource-based tourism include: SuperBuild, Northern Ontario Heritage Fund, OMAFRA and FedNor

◆ **Transportation/Infrastructure**

- Considerable scope for rail travel to complement interpretation and activity packages
- Direct international flights into Winnipeg, MB, provide easy access to northwestern Ontario
- New WestJet services to Sault Ste. Marie and Sudbury are an excellent opportunity to draw more leisure travellers to Northern Ontario

KEY THREATS

There are a number of threats to be mitigated to ensure the effective implementation of a resource-based strategy and these relate primarily to regulatory issues that affect the tourism industry as well as financing, funding and gaining more long-term certainty for tourism activities that are on or near Crown lands.

In addition to the above challenges, there is also the issue of the cancellation of the spring bear hunt and the extent to which this is impacting the views of operators and officials as to the benefits of the diversification process. There is also a perceived lack of actual financial benefit operators believe will occur as a result of the Resource-Based Tourism Opportunities Diversification Program.

– Key Threats

◆ **Product**

- Combining the potentially conflicting activities of ecotourism and hunting/fishing
- Soft adventure, ecotourism and family markets could potentially be more demanding (in terms of facilities and services required) than the traditional fishing and hunting markets
- Participation levels in hunting and fishing are relatively low and growth rates fairly static (fishing) or declining (hunting) in comparison to other nature-based activities
- Defining the marketing opportunities in relation to new market segments
- Introduction of some activities (e.g., ATV's and snowmobiles) may be problematic from an environmental and insurance perspective
- Northern operators' heavy reliance on big game hunting
- Increasing sophistication of the market and their subsequent demand for modern interpretive techniques, high technology/multimedia experiences

◆ **Market**

- Difficulties in coordinating the marketing efforts of NOTAPs, NTMC, OTMP and other organizations involved in tourism marketing
- Accounting effectively for the significant differences between the southern and northern Ontario markets
- Increased national and international competition for resource-based tourism products
- Increasing costs of marketing and promotion
- Lack of profile in the marketplace for Ontario's resource-based tourism products
- Changing preferences of consumers in the marketplace and changing lifestyles and demographics (e.g., aging population)
- Growing public opinion/opposition to consumptive leisure activities such as hunting and fishing

– Key Threats

- **Finance**
    - Cancellation of the spring bear hunt has left many operators struggling to replace lost revenues during this season (it is difficult to draw other market segments during the spring)
    - Operators do not see the advantage of the Business Plan process
    - Higher pricing versus value-for-money, especially for those operators near major urban centres
- **Human Resources**
    - Short tourist season makes hiring and retention of staff difficult
    - High cost of training and subsequent difficulty in retaining staff to obtain a return on the investment
    - Lack of knowledge and access to information for operators in the resource-based tourism market
    - Possible need for expanded emergency response resources as more people begin to access the backcountry through ecotourism
    - Knowledge of staff in Visitor Centres is varied and needs to be more standardized at a high level
- **Land Use**
    - New logging roads and logging near outpost camps
    - Access to Crown lands is often problematic and difficult to obtain
    - Long-term commitment for access and use of resources including timely pricing for purchase and/or lease
    - Multiple use of resources may be incompatible – for example, ATV's versus hiking versus forestry
    - Need for land use standards and certification, as well as protection for the resource
    - Water quality issues in areas of Ontario

– Key Threats

- **Regulation/Licensing and Certification**
    - Resource-based tourism licensing may not adequately address quality standards or compliance with government regulations
    - Gun licensing requirements
    - Boat operator licensing requirements
    - Accommodation rating system
    - No ecotourism or adventure tourism standards associated with current system
    - New guidelines for water systems and fuel handling
    - Snowmobile trail permit changes (inter-provincial and provincial)
    - Customs and provincial border requirements (e.g., gun registration and DUI fines)
- **Transportation/Infrastructure**
    - Airline services and access, as well as being tied to Toronto as the traditional hub
    - Access and travel time to remote parts of the province
    - Decommissioning of old forestry roads and bridges may limit new adventure and ecotourism opportunities

LONG LIST OF RESOURCE-BASED TOURISM DIVERSIFICATION OPPORTUNITIES

The results of the primary research conducted for this project and discussions with lodge owners has generally revealed most resource-based operators in the province have ideas for new products and activities within a fairly narrow range of activities. The following activities, in order of interest, were identified by operators responding to the study's telephone survey:

- Wildlife viewing
- Birdwatching
- Photography
- Canoeing, kayaking

- Snowmobiling
- Hiking, walking tours
- Nature interpretation
- ATVing
- Scuba diving
- Cultural and historic tours
- Arts and crafts
- Bicycling, mountain biking
- Flightseeing, fly-in charters
- Golf

While these activities are well-suited to Ontario, the province has the potential to offer visitors an almost endless array of activities in all seasons. The *Specialty Travel Index* gives examples of the many possible types of activities that interest travellers. From archaeology, to ice climbing, shamanism, and zoology, Ontario has both the resources and the expertise to deliver many of these activities and more as packaged tourism products.

Based on the key interest expressed by lodge owners in new types of activities and experiences, and the geography and cultural heritage of Ontario, it is useful to consider tourism diversification opportunities for the province in the following general categories:

- **Nature appreciation.** Tourism experiences in this category are dependent on the vast natural resources of Ontario, its flora and fauna, and ecological and geological richness.
- **Water, land and air adventures.** The emphasis in this category is on tourism activities on water, land and in the air which depend on Ontario's vast network of rivers and lakes, extensive system of roads, trails, portages, and the freedom of Northern Ontario's airspace.
- **Cultural Experiences.** Tourism opportunities in this category build on the culture and history of Ontario from archeological heritage to the

present day and living treasures. Cultural experiences are interwoven with the natural heritage of the province.

- **Winter experiences.** This category relates to a celebration of winter with an aim to increase tourist visitation in this period. It encompasses the three categories above, but with particular emphasis on winter activities and the cultural adaptations and unique experiences of an Ontario winter.

These four categories can be used as the framework for identifying a long list of opportunities for the resource-based tourism industry, initially based on ideas resource-based tourist operators indicated they are very interested in (Figure 5.1).

Figure 5.1: Opportunities Lodge Owners are Very Interested In ***(per Telephone Survey)***

Nature Appreciation	*Land Adventures*	*Water Adventures*	*Air Adventures*	*Cultural Experiences*	*Winter Experiences*
Wildlife viewing Birdwatching Photography Nature interpretation	Hiking Walking ATVing Bicycling Mountain biking Golf	Canoeing Kayaking Scuba diving	Flightseeing, Fly-in charters	Photography Cultural and historic tours Arts and crafts	Photography Snowmobiling

In Figure 5.2, we have developed a more complete long-list of the extensive range of possible products and package opportunities that resource-based tourist operators could consider in the process of diversifying into new market segments. The possibilities are really only limited by your imagination.

Figure 5.2: Long List of Possible Diversification Opportunities By Category

Nature Appreciation

- Astronomy
- Birdwatching
- Bird migration
- Bird nesting
- Bears
- Biology
- Botany
- Butterflies
- Conservation areas
- Ecology
- Environmental education
- Fall foliage
- Forests
- Forest canopy
- Geology
- Marine biology
- Mammals, big and small
- Moose
- Medicinal plants
- Mushrooms
- National Parks
- Nature reserves
- Natural history
- Old growth forests
- Photography
- Polar bears
- Provincial Parks
- Research trips
- Videography
- Waterfalls
- Wetlands, bogs
- Wilderness skills
- Wilderness medicine
- Wildflowers
- Wildlife viewing
- Zoology

Land Adventures

- Abseiling
- ATVs
- Backpacking
- Backroads
- Biking
- Bungee jumping
- Camping
- Canoeing
- Canyoning
- Caving
- Four-wheel drive tours
- Gem collecting
- Gold panning
- Golf
- Horse riding
- Ice climbing
- Kayaking
- Multi-sports
- Orienteering
- Outdoor skills
- Railway tours
- Road tours
- Rock climbing
- Survival
- Trails
- Trans-Canada Trail
- Trekking
- Walking

Water Adventures

- Boats and motors
- Canoeing
- Cruises on rivers, canals, lakes
- Fishing
- Fly fishing
- Great Lakes cruises
- Kayaking
- Houseboating
- Islands
- Jet boating
- Lighthouses
- Paddle making
- Personal watercraft
- Shore excursions
- Sailing
- Sea kayaking
- Scuba
- Shipwrecks
- Shore lunch
- Snorkelling
- Submarine
- Surfing
- Swimming
- Underwater viewing
- Waterskiing
- Whitewater canoeing, kayaking, rafting
- Windsurfing

Air Adventures

- Air safaris
- Ballooning
- Flight training
- Flightseeing
- Float planes
- Fly-in charters
- Fly-in hiking, canoeing, kayaking, rafting
- Gliding, soaring
- Hang gliding
- Helicopter tours
- Heli hiking Heli rafting
- Kite flying
- Paragliding
- Parasailing

Cultural Experiences

- Agricultural
- Anthropology
- Antiques
- Archaeology
- Art, artists
- Architecture
- Beer & wine
- Churches
- Collecting
- Cooking
- Crafts
- Disabled tours
- Educational
- Farmstays
- Festivals
- First Nations
- Gardens
- Geneology
- Ghost towns
- Gourmet, gastronomy
- Health, fitness
- Historic houses
- History tours
- Hockey
- Holistic health
- Military history
- Mine tours
- Museums
- Music, dance
- Mystery tours
- Myths, legends
- Photography
- Pioneer skills
- Pottery
- Retreats
- Shamanism
- Shopping
- Spirituality
- Theatre
- Weddings
- Women's tours
- Yoga

Winter Experiences

- Christmas
- Christmas trees
- Dogsledding
- Ice boating
- Ice sculptures
- Ice diving
- Ice fishing
- Ice golf
- Ice hotel
- Ice slides
- Igloos
- Heli-skiing
- New Year's Eve
- Northern lights
- Skiing, cross-country, downhill
- Sleigh rides
- Skating
- Ski jumps
- Snowboarding
- Snow castles
- Snow sculptures
- Snowmen
- Snowmobiling
- Snowshoeing
- Snow shelters
- Tobogganing
- Winter tracking

There are many more potential opportunities that relate to those listed above. For example, craft activities may include basket weaving, quilting, and willow chair making, and craft tours may include visits to First Nations artisans, or to rural communities that preserve traditional crafts from blacksmithing to soap-making. Many activities may be combined from any of the six major categories to develop unique packages that encompass the natural and cultural heritage of the immediate area in which a lodge or camp is located.

As resource-based tourist operators seek to diversify into new opportunities, the long list above is a possible starting point to assess activities, experiences and packages to offer visitors. Of course, there are endless possible combinations of activities that can be included in specific packages developed. The nine regions identified across Ontario each have their own character, which forms the backdrop for any new products which may be developed.

SHORT LIST OF OPPORTUNITIES FOR RESOURCE-BASED TOURIST OPERATORS

The consulting team has short-listed the broad range of possible opportunities to those that represent "best bets" for resource-based operators to consider. The appropriateness of any of these to a particular operator will be dependant on the operator's interests and skills, facilities and services, and accessible natural/cultural resources base.

Figure 5.3: Short List of Key Product Opportuniteis for Ontario's Resource-Based Tourism Operators

Category	Opportunities
Nature Appreciation	▪ Wildlife Viewing ▪ Bird Watching ▪ Old Growth Forest/Forest Canopy Tours ▪ Wetlands Interpretation Tours ▪ Marine Life Interpretation Packages ▪ Astronomy/Star Gazing Packages ▪ Rockhounding Products/Packages
Outdoor Adventure	▪ Bicycling/Mountain Biking Tours ▪ Walking/Hiking/Trekking Packages ▪ Canoeing & Kayaking Instruction/Guided Excursions

Category	Opportunities
Outdoor Adventure (cont'd)	▪ Orienteering/Survival and Outdoor Skills Programs ▪ Tour Boat Cruises of Lakes and Rivers ▪ Guided ATV Tours/Excursions ▪ Rock and Ice Climbing Products/Packages
Cultural Heritage	▪ Maritime/Waterways Themed Packages ▪ Railway Heritage Tours ▪ Forestry and Mining History ▪ Archaeological Heritage ▪ First Nations Cultural Heritage ▪ Arts and Crafts Workshops ▪ Stage Your Own Festival/Event
Winter	▪ Snowmobile Safari Tours ▪ Lodge-to-Lodge Cross Country Ski Expeditions ▪ Winter Getaway Packages

Further review and analysis of each of these opportunities in some detail is provided in the companion *Product Development Opportunities* document prepared by the consulting team as part of this study.

6 – IMPLEMENTATION AND FUTURE DIRECTIONS

In the previous chapters we have suggested a range of opportunities for resource-based tourism operators to consider in the diversification of their businesses. We also believe there are a number of public policy objectives and future directions that should be considered to create an environment that is supportive for the further growth of resource-based tourism in Ontario.

RESOURCE-BASED TOURISM DIVERSIFICATION OBJECTIVES

The stated objectives of the Ontario Resource-Based Tourism Diversification Program are to assist the resource-based tourism industry to:

- Identify and effectively access alternative tourism markets which are based on Crown natural resources in Ontario
- Diversify and improve the utilization of Ontario's natural resources for tourism
- Expand beyond traditional fishing and hunting outfitting markets to newly emerging markets for ecotourism, adventure tourism and specialty outdoors tourism activities.

Ontario's resource-based tourism industry is clearly a partnership between the public and the private sectors. Both components of this partnership need to work toward mutual agreement on the future directions for resource-based tourism in Ontario and develop specific goals for implementation.

The consulting team's interviews, survey work, and focus groups indicate that the relationship between the related government departments and the resource-based operators is complex.

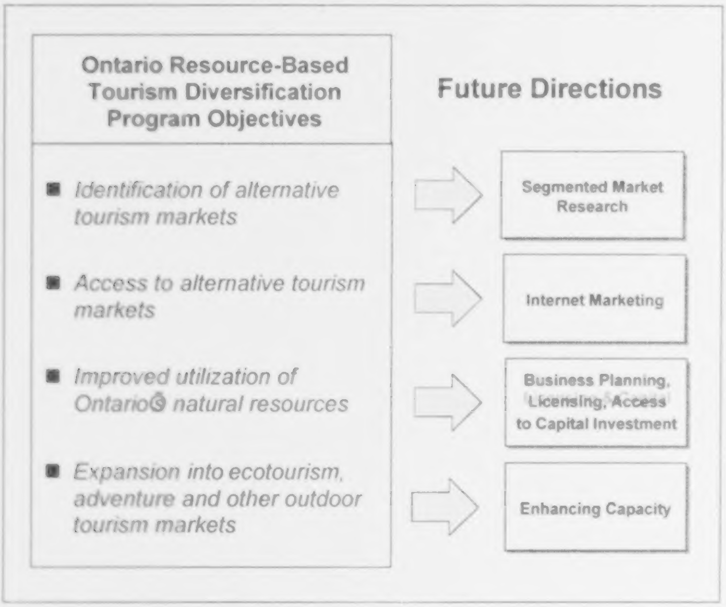
- Government officials see a need for the operators to modernize their facilities, to improve their business practices, and to diversify their product offerings and marketing efforts.
- Private sector operators are faced with changes in regulations and shifts in their markets.

- Various Ministries are related to the delivery of resource-based tourism and all deal directly with operators.
- Operators fear that doing business is unpredictable or unprofitable in an environment of changes to regulations, mandatory operating requirements and increases in administrative requirements.
- Both sides of this partnership face challenges in the future development of resource-based tourism that can only be solved together.

FUTURE DIRECTIONS

To work towards the objectives of the Resource-Based Tourism Diversification Program and find solutions in partnership with the private sector, our study suggests four future directions for the Province to consider, as shown in Figure 6.1 and described in the following paragraphs.

Figure 6.1: Ontario Resource-Based Tourism Program Objectives and Future Directions


Ontario Resource-Based Tourism Diversification Program Objectives
Future Directions
Identification of alternative tourism markets
Segmented Market Research
Access to alternative tourism markets
Internet Marketing
Improved utilization of Ontario’s natural resources
Business Planning, Licensing, Access to Capital Investment
Expansion into ecotourism, adventure and other outdoor tourism markets
Enhancing Capacity

1. **Segmented research assistance to more clearly identify target markets and how to pursue them on an ongoing basis.** This should be designed to assist operators to identify the characteristics of the key tourism markets that provide opportunity for diversification in Ontario, allowing provincial and private sector marketing plans to be targeted, and to have results more clearly measured. It is clear that ecotourists and adventure travellers represent diverse market segments, and require distinct marketing efforts that directly appeal to their preferences. This type of primary market research is currently not being undertaken at an adequate level of detail, and is well beyond the capability of individual operators.

2. **Internet marketing assistance in taking new products to the global marketplace.** The broad diversity of the market segmentation for these new activities and the extent of their reach into global markets suggest that the Worldwide Web may be the most cost effective means for taking many of these products into the global marketplace. This has been initiated effectively by the *Paddling Ontario* and *Arts in the Wild* programs, but needs to be extended to a full range of outdoor adventure and ecotourism products.

3. **Resource-based tourist operators business planning, licensing and access to capital investment.** The Ontario Resource-Based Tourism Diversification Planning Program has a Business Planning component which provides funding assistance for operators to retain a qualified professional to prepare an appropriate business plan. This is an important initiative which should be continued and tied-in with the capital assistance which is also currently available under the Program. Facilitating access to capital as a viable means for assisting individual tourism businesses should help to begin the diversification process. It is recognized that achieving diversification will require a transition period in which existing core business activities will be continued in order to maintain cash flow for business operations, while new ventures grow and produce new revenue streams. It may also be appropriate to tie-in such capital assistance with an enhanced licensing system, which will help to ensure consistent quality for the marketplace.

4. **Enhance capacity for resource-based tourism operators and their communities to develop/market broader range of packaged activities.** In order to appeal to a broader audience, a wider but

complementary range of opportunities has to be researched, developed, and presented in a thorough manner, similar to the good work that has already been done by the Ontario Tourism Marketing Partnership in relation to the *Paddling Ontario*, *Arts in the Wild* and ATV Ontario initiatives.

ENHANCING RESOURCE-BASED TOURISM MARKETING

These initiatives will complement the Business Planning and training components which we already built into the Ontario Resource-Based Tourism Diversification Opportunities Program.

The absence of solid information and data regarding the various new market segmentations for diversification of resource-based tourism is a key missing ingredient. The federal and provincial governments currently undertake relatively limited market research into the key areas where this diversification is likely to occur. Until recently, the demand has not been sufficient to direct research capabilities in this direction. In addition, these new opportunities vary across the Province.

We, therefore, suggest the following possible approaches:

- The regional tourism organizations of southern and northern Ontario could take responsibility for commissioning market research about the activity and cultural diversification opportunities within their region.
- In Northern Ontario this research would ideally be conducted on an annual basis with possible funding assistance through MNDM, FedNor and NOHFC. It could be coordinated by OTMP and the Ministry of Tourism, Culture and Recreation (MTCR).
- In southern Ontario, the research should be conducted under the direction of OTMP and MTCR.

While the Internet is not a panacea for all the marketing issues for resource-based tourism, it is evolving as a cost effective marketing tool, particularly for remote locations. During our interviews with operators, many indicated that the Internet has become their main marketing tool. Developing, maintaining a site with the most current information and data, continuously positioning the site with search engines, and responding immediately to enquiries are all tasks that should be undertaken. We, therefore, suggest the following:

- The provincial marketing organization (OTMP) could be responsible for contracting the development and operations of an "intelligent" web site or link specifically focused on resource-based tourism and tying-in with their existing web site. OTMP has recently been in the process of developing a new and very extensive product-based tourism marketing web site. This will be helpful for the development of a site or link for resource-based tourism.
- An "intelligent" site would have the following features:
    - Aggressively promoted with different search engines worldwide, ensuring that Ontario's resource-based tourism products are at the top of search engine findings.
    - Market ready and able to conduct e-commerce.
    - Capable of collecting customer information for direct marketing.
    - Responsive to customer profiles and capable of putting together itineraries or packages of attractions in specific areas.

BUSINESS PLANNING, LICENSING AND ACCESS TO CAPITAL INVESTMENT

Access to affordable capital is one of the primary impediments to further development and diversification of resource-based tourism in Ontario. Diversifying the experiences for visitors to existing facilities requires that the operators assume an element of risk.

- It is our impression that many operators realize the need to make changes to their operations to match changing marketing opportunities, but their current cash flows and limited collateral generally does not allow them to borrow money from normal lending sources.
- Government resources are needed to break this inertia, to prime the pump for additional investment, and to achieve the broader economic growth potential that resource-based tourism offers rural communities.

We believe that resource-based tourist operators who are given access to capital also have a responsibility for effective business planning and resource stewardship. We, therefore, suggest the following:

- Participating in the Business Planning component of the Ontario Resource-Based Tourism Diversification Program or filing an appropriate business plan should be a requirement for gaining access to capital investment assistance.
- Clear lines of accountability are needed for achieving specific resource-based tourism objectives. Enhancements to resource-based tourist operators licensing should be considered to provide quality assurance and maintain environmental standards. To be cost effective, possibly the administration and accountability for an enhanced licensing program could be transferred to the industry for development and self-regulation. A performance-based contract for the administration of such a program would need to be negotiated. This approach would require further study.
- Resource-based tourist operators could then be required to file environmental management plans illustrating how they are going to operate their facilities and use Crown lands and resources in accordance with sound environmental protocols.
- Operators could also be required to document how they intend to develop, implement and monitor program activities for their clients in accordance with their diversification and environmental plans.
- In return, operators may be given enhanced access to Crown resources, and meet eligibility requirements for any capital funding assistance that may be available.

ENHANCING THE CAPACITY OF RESOURCE-BASED OPERATORS

It was evident during the discussions with the operators that there are time constraints during certain seasons of the year. Activities such as marketing, controlling operations, developing the product, maintaining information, and fostering communication have been neglected or ignored due to constraints with time, money and the necessary resources. It is suggested that:

- **An internship program could be considered** that would help operators and regions make the transition into resource-based tourism and aid with a series of organized activities. We would suggest placing interns and co-op students with operators on a seasonal or semester basis.
- **Each intern could also act as a liaison member for the nearby area or region** to obtain and clarify information and regulations from the Province of Ontario, federal government, municipalities, tourism associations and other organizations. These interns would have a broad range of qualifications from colleges and universities throughout Ontario.
  - Students studying with majors in outdoor recreation, adventure travel and ecotourism, communications, business, hospitality, tourism, geography, marketing or physical education would prove to be assets to the resort and lodge operations. Students who have previously worked in resource-based tourism facilities or who have previous related intern experience should also be looked upon favorably for such a program.
- **The program would also serve to help assist students** in exploring their own career choices and gain valuable on-the-job experience.
  - In turn, these students may be more likely to enter careers based on their valuable work experience with the area operators.
  - Many operators are running their operations based on family staffing.
  - The introduction of an intern would help to create some valuable new ideas for an operation and the possible introduction of a new, stable and qualified workforce.
- **Activities of student interns** could centre on the following:
  - Creating and writing up product and package descriptions for operations.
  - Preparing business plans.
  - Facilitating communication among tourist operators in the area.
  - Developing packages for the operation.
  - Maintaining, controlling and updating the individual operator's website.

- Creating a link between the operators for each region they are responsible for.
- Creating inventories and accessing operations with feedback for resort and lodge operators.
- Communicating information about events, activities and trends in the area and from other operators.
- Developing brochures and information packages for smaller operators.
- Providing recommendations on packaging activities for groups of operators.
- Supplying up-to-date information on the NRVS database system.
- Creating an operations manual for future interns.
- Marketing the area and operations on behalf of the operators.
- Being responsible for distributing information and updates about financial aid programs.
- Attending trade shows on behalf of the operators.
- Marketing the intern program to new students via colleges and universities.

We also believe that it is necessary for resource-based tourism operators to increase their linkages with communities and heritage resources, supporting the further development of complementary facilities that increase the potential for developing packages. Diversification is going to lead to a different type of tourist that is looking for a broader range of outdoor adventure, ecotourism, cultural and educational experiences than is generally available at one lodge or resort.

7 – POSITIONING ONTARIO IN RESOURCE-BASED TOURISM

As a destination for resource-based tourism, Ontario must compete in an international marketplace. Other provinces, such as British Columbia with its "Super, Natural British Columbia" theme, have promoted outdoor experiences for many years – achieving a higher profile than that which Ontario currently has.

ONTARIO'S CURRENT STATUS IN THE MARKETPLACE

Ontario's current marketplace advantages for resource-based tourism have as much to do with its access to Ontario domestic and U.S. border markets, as it does with a competitive market profile. For international markets, Ontario's profile for resource-based tourism has yet to create the image and awareness levels that have been achieved by other provinces and countries.

Australia and Costa Rica, for example, have successfully built enviable reputations for ecotourism, and many U.S. states have built high awareness for outdoor adventure and nature experiences.

The current status of Ontario in the international marketplace is based on a blend of traditional and emerging resource-based tourism products. Both must struggle for profile within the province and internationally.

- Traditional hunting and fishing experiences are well-established with a high rate of repeat clients.
- Shifts in demographics for fishing packages are creating a higher awareness of Ontario in the domestic and U.S. family markets compared to the traditional male groups.
- The profile for hunting and fishing is tied to allowable seasons and permits.
- Family markets tend to limit their interest to July/August with low awareness or interest for other seasons.
- The profile for outdoor adventures is most strongly linked to canoeing in summer and snowmobiling in winter.

- The diverse range of other adventure and ecotourism opportunities throughout the year has not achieved a high profile, in part due to limited availability of market-ready product and lack of focused or coordinated promotion.
- Despite some excellent operators and initiatives like *Arts in the Wild* and *Paddling Ontario*, Ontario has yet to develop a strong profile as an adventure/ ecotourism destination compared to many other international destinations.
- The strong promotion of city-based and Southern Ontario tourism tends to overpower natural resource-based tourism marketing and promotion because of large-scale, internationally significant destinations, such as Toronto, Ottawa and Niagara Falls.

COMPETITIVE POSITIONING OF OTHER JURISDICTIONS

In order to work towards developing a stronger overall positioning for the Province of Ontario in non-consumptive resource-based tourism, we have examined the competitive marketplace for this product area, particularly provinces, states and countries which feature this product category strongly.

In Canada, all of the provinces to some extent promote their natural resource base and the activities and attractions related to the resource. However, British Columbia, Quebec, Saskatchewan, and Newfoundland and Labrador, in particular, have a very strong focus on outdoor adventure and ecotourism experiences.

British Columbia – "Super, Natural British Columbia"

The province of BC has a strong outdoor image that stems from its "Super, Natural British Columbia" branding. The province has used kayaking and canoeing images extensively in its marketing materials, as well as other outdoor activities such as hiking and skiing.

- A significant portion of BC's outdoor focus is marine, with its key tourism regions (e.g. The Islands and Vancouver Coast & Mountains) being located on the coast.

- The Rockies marketing material provides strong images of canoeing and hiking in and around the numerous lakes and mountains.
- BC strongly promotes both salt and freshwater fishing, while doing little or nothing to promote hunting at either the provincial or regional level.
- BC continues to use images of outdoor adventure throughout its publications, some examples include:
    - Outdoor images such as Canoeing (Outdoor & Adventure Guide 2001) and hiking (Vacation Planner 2001)
    - Strong use of landscape images and outdoor activities throughout their regional material.

Quebec – "Where People Really Live"

The province of Quebec "Where People Really Live" has an excellent natural resource with many similarities to Ontario. Quebec has positioned itself strongly as an outdoor adventure destination and in particular made good use of non-skiing winter products and the Aboriginal culture.

- The "Great Outdoors" brochure focuses mainly on cycling, canoeing and explore (wildlife). It also covers the activities of kayaking, rafting, hiking, riding (horse), First Nations and winter pursuits.
- Quebec has one of the stronger non-skiing winter profiles provincially, with significant emphasis placed on snowmobiling, dogsledding and snowshoeing.
- Tourism Quebec publishes a Snowmobiling and Cross-Country Skiing Packages brochures for the winter season.
- Quebec has the strongest Aboriginal presence in its tourism marketing material and ties the cultural theme in with outdoor adventure and exploring the landscape.
- Quebec continues to promote hunting and fishing together both at the provincial and regional levels, while other provinces (e.g. B.C.) have separated the two activities.

Saskatchewan – “Land of Living Skies”

Saskatchewan “Land of Living Skies” has positioned itself well as a province offering a wealth of natural wonders. In doing so it has tied outdoor adventure closely to the natural landscape and focuses strongly on “Outdoor Experiences.”

The following are their key outdoor experience segments:

- Wildlife Viewing & Birding
- Cycling & Hiking
- Canoeing & Rafting
- Guest Ranches
- Parks

U.S. Border States

A review of the U.S. Border States marketing material highlighted the widespread use of natural resources and outdoor activities as key marketing and promotional tools.

Some of the States that illustrate the use of well positioned outdoor adventure and ecotourism product include: Pennsylvania and Montana, while closer to Ontario the states of Minnesota and Wisconsin both use marketing material with a strong outdoor and nature focus.

Montana – “Put Yourself in Montana”

The State of Montana places significant emphasis on outdoor adventure experiences within a natural landscape that is Montana. Some of the key areas used include:

- Outdoor Adventure – key themes/activities are hiking, biking, fishing and floating (rafting)
- Wildlife Viewing in Montana

- Bird watching is a key component and significant information is provided on birding resources.
- Tourism Montana also highlights the state's adventurous possibilities from the serene to the extreme: rafting, hiking, horseback riding, rock climbing and mountain biking.

Pennsylvania – "100% Pure Pennsylvania"

Pennsylvania's tourism slogan focuses on providing an experience, something that's authentic (pure Pennsylvania). A key component of Pennsylvania's tourism strategy is their "Nature & Outdoors", product category that is dominated by adventure and ecotourism activities such as:

- Biking
- Bird watching
- Boating & Sailing
- Camping
- Caves & Caverns
- Hiking
- Horseback Riding
- River Adventures
- Water Activities

Minnesota – "Take Home A Story"

Minnesota represents a key travel market for Ontario, especially Northern Ontario. Minnesota promotes many of the same outdoor activities as Ontario under "Outdoor Activities & Sports." Some of their key focuses include:

- The Great outdoors
- Hiking & Biking
- Adventure trips

- On the Water
- Winter, Golf and fishing

One of the ecotourism highlights on the Minnesota website is the Birding hotspots section, which provides birders with valuable information on the key locations and conditions. One of Minnesota's key outdoor adventure publications is the Guide to "Canoeing Minnesota"

Wisconsin – "Stay Just A Little Bit Longer"

Wisconsin is one of Ontario's key rubber tire markets and it offers many similar outdoor activities as Ontario. Wisconsin contributes much of its popularity as a destination to its natural resources, namely: The Great Lakes, Mississippi River, forests and lakes.

Wisconsin markets its outdoor adventure and ecotourism experiences under "recreation & attractions." As a result Wisconsin does not really make a clear distinction by having sub-groups like nature tourism, adventure tourism or the outdoors, which could better link its landscape, cultural and historical attractions with outdoor adventure and ecotourism products.

However, Wisconsin does have a number of publications that illustrate its outdoor adventure potential. These include:

- Adventure Guide - A guide to active adventures including hang gliding, rock climbing, whitewater rafting, kayaking and much more.
- Wisconsin Snowmobile Guide & Map
- Wisconsin Biking Guide - A guide to 44 Wisconsin bike touring trails, on-road routes, and mountain bike trail systems.
- Wisconsin Heritage Traveler - Includes all heritage tourism sites, historic corridors and 300 Wisconsin historic sites.
- Native Wisconsin - A guide to Wisconsin's Native American nations showcasing the culture, history, events, attractions and accommodations of each tribe.

Ohio – "So Much to Discover"

Ohio is another important border state for Ontario and contributes substantially to the U.S. visitor numbers. Ohio also has a fairly strong emphasis on outdoor experiences with tourism categories such as Outdoor, Adventure, Heritage, Arts & Culture and Sports.

However, there appears to be a lack of specific nature tourism product with the exception of birding activities, which has been placed in with other adventure tourism products. The focus seems to be more on the activity and less on the experience and how nature and education could be incorporated.

Michigan – "Great Lakes, Great Times"

Michigan one of Ontario's strongest rubber tire markets, particularly for the Southern Ontario operators. Its key tourism segments include agricultural tourism, boating/paddlesports, cultural, nature, skiing, golf, shopping and snowmobiling.

Although the outdoor adventure and ecotourism segments are adequately covered within the promotional material they are not emphasized or highlighted as key components of their tourism inventory. The one exception is of course water based tourism products as the state is heavily influenced by their location in the Great Lakes area.

New York State – "I Love New York"

New York State is another key Ontario market and one that does not readily emphasis their outdoor adventure and ecotourism segments. New York divides its tourism product into three categories:

- Attractions
- Events
- Recreation

The recreational component encompasses activities such as birding, hiking, canoeing and caving, but focuses primarily on the activity. As a result this downplays the significance of the experience associated with the activity and the close links that could be made with the landscape and culture of the State.

Australia – "You've Waited Long Enough" and New Zealand – "100% Pure New Zealand"

Both Australia and New Zealand have been successful at promoting themselves as world-class outdoor adventure and ecotourism destinations. Outdoor Adventure and ecotourism form a significant portion of their overall tourism product and are a core component of the Australasian tourism experience.

New Zealand has made a name for itself worldwide through its many and varied adventure tourism products – in particular bungee jumping and jet boating. While Australia has been at the forefront of the worldwide ecotourism movement, especially with regard to standardizing and regulating the industry.

Both Australia and New Zealand have a rich cultural heritage, which has been used extensively as part of their tourism product, by integrating culture, adventure and landscape through packages and partnerships.

Costa Rica – "No Artificial Ingredients"

Costa Rica has successfully positioned itself as an international ecotourism destination by utilizing the country's abundant natural resources. Adventure and ecotourism are the country's primary tourism product and marketing focus.

Costa Rican tourism focuses on three distinct areas:

- Adventure
- Ecotourism
- Sun and beaches

Costa Rica divides its adventure tourism experience into water, earth and air activities:

- Water - Sea Kayaking, rafting, surfing, diving, windsurfing and fishing

- Earth - Bird watching, hiking, mountain biking, horseback riding, golf
- Air - Canopy tours, bungee jumping, hot air ballooning

The ecotourism experience is presented through the country's natural attractions, which have been divided into seven categories: beaches, biodiversity, flora, fauna, forest, national parks, rivers and lakes.

Costa Rica contains some of the world's most sustainable/best practice ecotourism operations and has been the subject of many International Ecotourism Society studies.

WORKING TO STRENGTHEN ONTARIO'S OUTDOOR ADVENTURE AND ECOTOURISM PROFILE

Ontario's profile for outdoor adventures, ecotourism and other nature-based experiences is achieved through the combined efforts of a hierarchy of organizations from individual operators, to regional and provincial tourism associations and marketing organizations. Partnerships are essential to leverage higher profile and to get a better return on promotional expenditures, particularly for the U.S. and international markets which are key targets for Ontario's adventure and ecotourism products. As the Ontario Tourism Marketing Partnership notes: "Our strong partnership… won a great response from U.S. consumers" and "Ontario brand grows in Europe through joint marketing agreements".

The requirement for partnerships between the private and public sectors was identified in Chapter 6 of this report as fundamental to the future development of resource-based tourism. The suggestions in Chapter 6 for future directions for enhancing resource-based tourism marketing and the capacity of resource-based operators links directly to strengthening Ontario's outdoor adventure and ecotourism profile.

The Resource-Based Tourism Diversification Program identifies several key partners, including its own business planning and educational components:

- Canadian Tourism Commission
- Ontario Tourism Marketing Partnership
- Northern Tourism Marketing Company

- Northern Ontario Native Tourism Association.

These organizations are the national, regional and provincial umbrella groups having the greatest potential impacts on Ontario's tourism profile. They can support and enhance initiatives of the Resource-Based Tourism Diversification Program for both individual and groups of operators.

In order to raise Ontario's profile for outdoor adventure and ecotourism, it is suggested that the profile of this sector and its opportunities be increased amongst resource-based operators. The Diversification Program can be used to create awareness and interest amongst operators. Specific suggestions include the following:

- Take the information to the operators at their lodges and camps where possible, and at local centers.
- Use industry professionals in packaging and marketing as facilitators, e.g., OTMP has done this successfully for *Paddling Ontario* and *Arts in the Wild*.
- Provide expert advice on specific product opportunities that operators can readily access (e.g., NONTA currently has a product advisor on staff to facilitate development of Aboriginal tourism products).
- Keep support and advice practical and realistic to give operators the confidence to develop new products.

At its heart, the Resource-Based Tourism Diversification Program depends on individual operators recognizing new opportunities and finding the ways they can enhance their businesses. In the course of this study, particularly during the focus group sessions and individual lodge visits, we have seen that some operators are already adjusting their products and packages.

We have been encouraged by the awareness of ecotourism and outdoor adventure opportunities and have confidence that this will only increase. The work and initiatives of operators and support from the Resource-Based Tourism Diversification Program are basic building blocks to strengthen Ontario's profile in the domestic and international marketplace. This can be complemented by strategic marketing and packaging approaches to enhance the Province's overall positioning, as outlined on the following pages.

OVERALL POSITIONING STRATEGIC APPROACHES

These suggested approaches represent an overall integrated focus for strengthening the positioning of Ontario in outdoor and nature-based tourism from a marketing and packaging point of view. Integrated activity will be required as individual operators, their associations and other organizations, along with the provincial government and OTMP work together to build a strong market and new products base for resource-based tourism in Ontario.

1. **Establish positioning and product categories.** An overall positioning for these product areas will be required so that the marketplace will clearly have a mental picture of what non-consumptive resource-based tourism is, what role Ontario plays in it, and what image is placed in the minds of consumers through advertising, other promotional activities and the product which is before them.
    - The industry itself must also feel the positioning is clear and valid for it to "step-up to the plate" to invest time, money and mental energy in creating product for the future.
    - Clear product categories are required as the next "drill-down" from the overall positioning.
    - A limited number of broad categories of product will stimulate product themes which will lead to actual packages.
    - The packages will be developed over time primarily by individual operators and operators working in co-ops with each other at the regional and community levels, or in product-based consortiums similar to *Paddling Ontario*.
2. **Facilitate access to enabling knowledge and skills so operators can engage in more effective packaging themselves.** Although the Province and organizations working together can and should provide overall support for the positioning and marketing, it will be the operators who will develop products that will go into various distribution "channels" for consumption by visitors.
    - Packaging is a new idea for many operators – it involves embarking on development of new markets with new approaches.

- Operators have been very competitive over the years and not clear on how collaboration might lead to more sales – in fact, many believe that sharing information and ideas will lead to a loss of their business, which is not necessarily true.

The tourism industry has become mainstream and sells products in convenient packages via a variety of distribution channels. Many operators are happy with the return and referral business that they host now, but in an increasingly competitive market it is valuable to consider new markets and new products.

- The OTMP's publication, *A Guide to Building Successful Packages for Tourism Suppliers*, provides detailed advice for operators who wish to package their products.
- Operators will need new knowledge of these markets and the skills to work alone and collaboratively to build products and put them into the market (the companion *Product Development Opportunities* document produced as part of this study is a first step in this process).
- Training workshops will be needed and should be provided in concert with local associations, wherever there is enough interest from industry. Those which are already part of the Diversification Program are an excellent starting point.

3. **Partner with industry to enhance access to distribution channels for packages into target markets**. Once products (packages) have been created, it is necessary to ensure they are ready for a variety of channels and are provided in a manner that the distribution channel can use. Packaging can be very effective in:
    - The travel trade channel – retailers, tour operators, wholesalers, receptive operators
    - The Internet
    - Call centers (both tourism information call centers and proactive telemarketing)
    - The special groups channel – affinity and other groups
    - The visitor information center (VIC) channel – the casual visitor looking for product.

- Local residents channel – purchase or recommendation of products to VFR traffic.
- Provincial and regional tourism packaging agencies can play key roles in initiating cooperative marketing geared to each type of distribution.

The OTMP's publication, *Selling Through the Travel Trade: A Handbook for Tourism Suppliers*, provides detailed advice to operators wishing to market through this channel.

4. **Encourage partnership marketing and promotion to increase number of packages sold**. *Padding Ontario* and *Arts in the Wild* are two good examples of this approach, but similar initiatives are needed for a much broader range of products. With an increasing focus on packages it is possible to track results, economic impact and market acceptance of various package experiences. As products and sales/distribution channels are developed over the coming years, refinements to product themes and packages can be made.
   - It will necessary to get operators and local associations to agree to track results for the good of all.
   - This should be done at call centers, on the web, through trade relationships, at VIC's and at front desks.
   - An annual survey to review visitor profiles and satisfaction with packaged products would be a helpful initiative.

   These two processes – tracking packages sold and reviewing consumer reaction – will provide the feedback required for the industry to continue *market driven* development of outdoor adventure and non-consumptive resource-based tourism products.

Overall Positioning Themes for Ontario's Resource-Based Tourism Products

Defining these are beyond the scope of the current study, but a few preliminary possibilities that may help stimulate ideas might include:

- "World's greatest inland waters"
- "Inland waters, boreal forest"

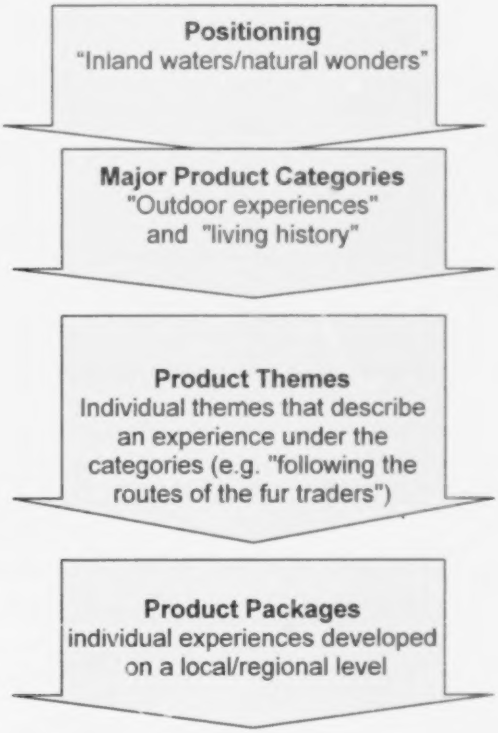
- "Inland waters, natural wonders"
- "Home of outdoor adventures"
- "Experience nature"

The positioning theme or themes should link to specific product categories. Such positioning would need to be undertaken by the OTMP who are responsible for Ontario's tourism branding and marketing, along with appropriate partners in Northern and Southern Ontario.

DEVELOPING EFFECTIVE RESOURCE-BASED TOURISM PACKAGE PRODUCTS

The resource-based tourism diversification product opportunities we are recommending for operators are primarily packages. The experience of operators and the behaviour of the market shows that packaged products are what the consumer wants. The OTMP has recognized this and published a helpful packaging guide for tourist operators entitled, *A Guide to Building Successful Packages for Tourism Suppliers*.

If many organizations (government, associations, regional agencies, and operators) are to successfully work together on product developments in the resource-based tourism sector, agreement is needed on how to structure the approach. We suggest the following structure:


Positioning
"Inland waters/natural wonders"
Major Product Categories
"Outdoor experiences"
and "living history"
Product Themes
Individual themes that describe
an experience under the
categories (e.g. "following the
routes of the fur traders")
Product Packages
individual experiences developed
on a local/regional level

- **Two major product categories.** The broad range of resource-based tourism opportunities can be combined into two very broad product categories – "Outdoor" and "Living History" experiences. Both show that products in the context of tourism are "experiences" and not a lodge room or a meal on its own.
  - These two broad product categories permit a wide variety of product themes to be developed.
  - The links between positioning and product themes must be clear in order for a number of operators and organizations to work together to develop products that are clearly linked to the overall positioning of resource-based tourism.

STRATEGIC APPROACHES TO RESOURCE-BASED TOURISM MARKETING/PROMOTION

We have considered a number of market trends for the purposes of defining broad marketing approaches for new outdoor adventure and non-consumptive, resource-based tourism products:

- Geographic market trends
- Demographic trends
- Club, association and other special interest group activity
- The resident (Northern Ontario) market and the potential for VFR referrals.

Market Segmentation

A geographic approach to markets can help target the right customers through strategic use of print and electronic media. The top geographic markets for Ontario resource-based tourism are clear – they are all regional:

- Ontario
- Michigan
- Ohio
- Minnesota
- Wisconsin
- New York
- Illinois
- Pennsylvania.

Recent events in the US will likely reinforce this regional pattern over the short term. Our customers are even more likely to choose Ontario for a first or repeat visit. A demographic "layover" shows us that our markets are shifting away from predominantly male groups to a stronger showing by families and couples.

- Club, association and other special interest groups tend to define themselves by interest rather than geography.
- The very nature of resource-based tourism shows that it has a very powerful draw from these types of groups which are definable specifically – we can identify the groups and the members in many cases, and can sell directly to them via direct mail, the Internet and other means.

The regional Ontario market is a powerful one that needs to be addressed – we are our own best customers and have tremendous referral potential as we strongly influence the expenditures of our friends and relatives.

Marketing Investment – The Need for a Practical Approach

We have seen that larger-scale tourism marketing investments for Ontario have not often focused strongly on the distinct products of the north and their customers. It is not likely that major new marketing investment will be forthcoming for resource-based tourism development. Most foreign countries have tourism as a strategic part of their economic development mix – many spend multiples of Canada and Ontario.

- The solution is not additional expensive advertising campaigns – the resource-based tourism market will, for the time being, remain an important niche market for Ontario.
- It is, therefore, critically important that in all cases we address market opportunities which are *definable, specific and practical.*
- We should not try to communicate with the entire marketplace – rather, we should concentrate on building long-term positioning and a product which can be measured by actual sales in selling channels and at operator cash registers.

Market data shows us that general attitudes in our target markets are shifting and that they support the long term move to broader outdoor adventure and non-consumptive, resource-based tourism. More consumers are visiting parks and protected areas while the number of hunters declines. Consumers have shown they have an interest in experiencing the wild but want the comforts of home, particularly as the client mix shifts more towards families and couples and away from male groups.

Overall Marketing Strategic Approach

The overall approach should be to build specific product packages under tightly focused positioning and sell to a focused series of markets. Again, extending the Paddling Ontario and Arts in the Wild models to other product areas would be an effective strategy.

"Position – Build Packages – Sell"

This can be done by investing in appropriate long term provincial positioning through public relations, by providing operators and groups with clear packaging support, knowledge, materials and skills and by building the sales channels that will carry the new product. Marketing tools that could be used to support the overall marketing strategy include:

- Public Relations could build long term positioning for key target audiences by supporting trade partners and operating fam trips for media
- Product development could refine the two broad product categories and support community development of packages
- Advertising should be package-focused and drive inquiries to Web sites and call centers
- Direct sales – call centers, VIC's and the Web should *sell,* not just provide information
- Community and product-based partnership marketing initiatives could help to support product and package development
- Education and training programs could help operators and communities learn about packaging
- Market research – it is essential to make it available to operators in an understandable form
- In-province "Heritage Routes" or some other effective touring routes signage could be developed over time.

Types of Target Markets

For purposes of resource-based tourism planning we have identified five target markets for resource-based tourism operators:

1. **Existing customers** – people who repeat and over time will want more experiences to enhance their vacations and keep them coming. Market share battles will intensify, so we must continue to provide new products and market them to the existing strong base of repeat customers.
2. **Their referrals** – A large percentage of new customers come to Ontario because of referrals from like-minded friends in similar geographic markets. There is no marketing weapon more powerful than third party endorsement.
3. **Potential new customers** – looking for outdoor-based vacation experiences.
4. **Club, association and other special interest groups** – individuals with a special interest such as birding, who travel alone or in organized groups.
5. **The resident market and their VFR referrals.** These two markets together represent a large component of potential customers.

Marketing Approaches for the Five Target Market Types

While the overall marketing effort is working at a strategic level (see above- "position, build packages, sell"), individual target markets must be addressed. This is a collaborative effort – provincial agencies and associations should be helping with the overall strategic marketing while operators, alone and in consortiums, market to the five target market types.

As products develop, the marketing activity will intensify. In the early stages the leading operators will be quick to gather key partners and set the tone for new packaging ideas. Marketing approaches and topics for each type of target market could include:

1. **Existing customers** – Marketing new products to existing customers. Packages could be marketed directly to existing customers as they develop through:
   - Direct mail developed to support positioning

- Direct mail at the community/property level
- Sales should occur on web sites, in call centres, and directly with operators.

2. **Their referrals** – Packages could be marketed by referrals through special promotions that benefit existing customers for referrals (discounts, benefits, etc.):
    - Direct mail developed to support positioning
    - Direct mail at the community/property level
    - Sales should occur on web sites, in call centres, and directly with operators.

3. **Potential new customers** – Packages will be marketed to them through trade programs that provide pricing, inventory and special requirements for different markets based on trade advice.
    - Resource-based tourism messages could be carried in generic Ontario Tourism marketing messages. Advertising should drive people to the web and trade partners.
    - Media relations should support trade partners in key markets (Ontario, Ohio, Illinois, Michigan, Wisconsin) with stories about positioning and packaging.
    - Provide net rates, package inventory directly from Ontario operators to trade partners.
    - Showcase outdoor and ecotourism products while attending Rendezvous Canada and other trade shows (and select consumer shows) that will build channels for new product lines.
    - A resource-based tourism web site should be oriented to clearly focus on packages and their sales – selling links for communities and Ontario operators.

4. **Club, association and other special interest groups** – A group sales approach could be developed:
    - Mailing lists for targeted direct mail campaigns at least annually
    - Programs for groups could be developed that give "a la carte" options around resource-based tourism experiences and extraordinary site and personnel access. This would help to build a group clientele for Ontario in this category of experience.
    - Sales support for groups via 1-800 telephone lines.

5. **The Ontario resident market and their VFR referrals.** These two markets together represent a significant proportion of potential customers. They are general consumers but are already in the market so are more likely to buy and need to know about the resource-based tourism packages available.
    - A PR campaign could make them aware of and likely to promote resource-based tourism
    - PR and advertising could locally promote the categories of packages, the web site, and VIC's as local buying channels
    - An Ontario resourced-based tourism awareness program would help promote to VFR traffic.

MARKETING AND PACKAGING PARTNERSHIPS AND COMMUNITY COOPERATIVE INITIATIVES

Partnerships strategies of this nature will, by definition, involve many operators and organizations working collaboratively. These opportunities would include the following stakeholders:

- Resource-based operators
- Their immediate communities/neighborhoods
- Their regions – tourism businesses and appropriate sectors
- Regional tourism associations
- Northern Ontario associations and appropriate government agencies
- Ontario Tourism Marketing Partnership (OTMP)
- Product-based consortiums (e.g., *Paddling Ontario*, *Arts in the Wild*)
- Ministry of Tourism, Culture and Recreation
- Canadian Tourism Commission (CTC).

Strategic Positioning and Overall Marketing

The OTMP, Ministry of Tourism, Culture and Recreation, the Northern Tourism Marketing Company, and other Northern Ontario travel associations have a role to play in implementing the high level elements of this strategy – the positioning work, the advertising, providing the web and call centre selling environment etc, that will be needed to give it life and strengthen the Province's overall positioning.

These organizations will also need to define and deliver the knowledge and skills to interested operators and product-based or community groups which wish to create and market packages. At all times the emphasis should be placed on encouraging grass routes development of packages. The role of the senior organizations in the effort should be focused on building and supporting the "Big Idea" – both among customers and the industry.

Packages Created Through Community Cooperative Efforts

With the help of agencies and associations that facilitate knowledge transfer, progressive marketing oriented operators and communities should come together to use the knowledge available to create resource-based tourism packages and get them to market.

Over time resource-based operators will learn together, create products together, exchange information, etc., (a good example of a product-based co-op is *Paddling Ontario* – 12 operators have a web site and sell product now).

Education and Training for Operators

The following components are critical and will be necessary to ensure that Ontario resource-based tourism operators can deliver the product quality which is essential to strengthen overall provincial positioning. Specific elements of relevant training should include:

- Market research must be made available on resource-based tourism, ongoing trends, etc. on a timely basis and in an easy to understand form
- Workshops made available at the regional level to brief operators regarding ongoing activities related to the strategic marketing component of the strategy
- Education on the product/market match for the various regions, the two broad product categories, and the themes that are being developed
- Packaging skills

- Advice regarding the creation of new product-oriented resource-based tourism marketing partnerships that can be used to sustain co-operative efforts after the initial workshops have been delivered under the Ontario Resource-Based Tourism Diversification Program.

The combination of the strategic approaches recommended in this chapter will, over a number of years, lead to a significant strengthening of Ontario's position in the international marketplace for resource-based tourism products and packages.

APPENDICES

A – Regional Focus Group Sessions with Resource-Based Tourist Operators

B – Questionnaire for Tourist Operators Survey

C – List of References

D – Examples of Resource-Based Tourism Diversification from British Columbia

APPENDIX A

Regional Focus Group Sessions with Resource-Based Tourist Operators

NORTH BAY FOCUS GROUP
AUGUST 9, 2001

CONSULTANTS MODERATING SESSION

John Murray	Economic Growth Solutions Inc.
Don Baxter	Economic Growth Solutions Inc.
Carolyn Wild	Wild International

SESSION PARTICIPANTS

Participant	**Organization**
Troy Wilson	Auld Reekie Lodge / Long Point Air, Gowganda
Brent Smith	Pozniak's Lodge, Marten River
Gord Mitchell	Island Lake Camp, Field
Angela Martin	Welcome Lodge Nipissing, Lavigne
Bill Chambers	Pine Grove Camp, Loring
Herman Stroeher	Northern Lights, Loring
David Waye	Glen Echo Cottages, Callander
Scott Bratton	Waltonian Inn, Callander

OBSERVERS / SPECIALISTS

Jim Antler	Executive Director, NOTO, North Bay
Alan Dare	Minister's Advisory Committee-RBT-diversif, OTMP; lodge owner
Ted Day	Executive Director, Ontario's Near North Travel, North Bay
Rick Calhoun	Acting District Planner, MNR, North Bay

John Salo	Park Superintendent - 6 parks - North Bay to Temagami
Mike Vincent	MNDM, North Bay

DISCUSSION – KEY ISSUES

Changes in markets, interests and activities

- clientele is slowly changing
- to US markets, camping means cabins as well
- there's a generation gap; "Generation X" need constant input and entertainment
- Gen X'ers are very fickle; may pay $1000 for a tent, $200 for a paddle, but complain about $20 for a campsite

Costs and Pricing

- canoeists don't want to spend money
- tourists within easy driving distance ex Toronto are super cheap
- US clients spend more when on holidays outside their own country
- perceived value for all inclusive package - cottage, boat and motor - tourists can see the effort and capital you've invested
- we often undervalue what we've got; difficult to raise prices - need to increase slowly or scare too many clients away
- if you're too busy, you're too cheap
- there's a saying that you can double your prices and lose half your clients

Accommodation vs Experience

- tourists come for the experience, not the accommodation
- we're still selling lodge-based packages
- July and August is more accommodation-based, often packaged inclusive with boat and motor
- fall is a difficult season to fill; often lucky to fill weekends

Ecotourism

- ecotourism is not an elocution - it seems a complete change
- if you're not a specialist, you can't class yourself as ecotourism
- we still supply the accommodation, but can't afford to hire naturalists like Bayview/Wildwood
- we need resources such as a library for bird watchers
- ecotourism and adventure is driven by the family market and couples with no children
- ecotourists don't want to come to a lodge that earns revenue from hunting and fishing

Fishing and Hunting

- bear viewing does not pay well compared to $1500 for a bear hunt
- can't move away from the core of your business; fishing and hunting is about 80%
- there is a history of change; but don't change overnight as with the spring bear hunt cancellation
- what else are you going to throw at us?
- fishermen like more comfort these days
- many no longer doing fishing shows - not good return
- US are more dedicated fishermen - want to protect the resource
- trend towards non-resident conservation licenses
- problems with Customs for US hunters - can now do advance customs on the Internet

Snowmobiling

- a $200,000 print media campaign gave the best results from "Michigan Living"

Diversification Program

- the RBT Program is nice but not enough

- will not sign off the release form
- many can't see the benefits of the RBT license. They already pay for fishing license, taxes and water use
- RBT seen of more value further north for those that use MNR land
- the diversification study report should give us the tools to analyze our own guests
- the report should contain a glossary of resources; where to get information e.g. to develop bird watching
- operators should be able to identify their own evolution

OPPORTUNITIES

Emerging Markets and New Product Opportunities

- sea plane excursions, remote locations are bringing good results
- spa retreat for women
- vegetarian cooking
- "find the north your parents did"; children in their 50's bringing elderly parents north; its now easier to get to and just as beautiful
- older markets just want to get away - not interested in cities; similarly for younger high-tech markets
- need a "wagon wheel" approach, with a central hub and spokes (for activities, experiences)
- golf included in packages
- work with larger tour operators like Jonview
- peat lands - working with local community to protect and develop
- we have a truly thriving ecosystem

Birding, Wildlife, Wildflowers

- birding in April; e.g, with US Universities

- Ontario has different birds than the Southern States
- "getting away" - flowers, birds, wildlife, fishing but not lots of dead fish in the brochure
- put out bird feeders; a tower in a marsh
- a blueberry patch with 15 bears
- have good hiking trails but tourists are scared of bears

Markets from Southern States

- Escape from the heat of the Southern States
- Southern States give biggest return on investment
- If clients have a good experience they will come in different seasons
- supply clothes for winter seasons; weather is often not as cold as tourists thought

KEY CONSTRAINTS

Access

- driving delays from Southern Ontario; took an extra two hours from Hamilton on long weekend

Threats

- water quality: we could have a "boil water" order
- knee-jerk reaction to political situation

Finance and Investment

- better return on investment in more fishing gear than an upgrade of facilities
- Insurance problems with high risk adventures such as ATVs and ice climbing
- It's Northern Ontario businesses that attract the Southern Ontario market; need a fair share of the benefits
- fear of costs to be imposed to enforce water treatment systems upgrade

Marketing/Promotion and Packaging

- it took three years to develop successful winter snowmobiling; put summer profits in the winter "money pit"; paid back by fourth year through good referrals from customers and advertising
- it starts out so small; need to be able to lose money for three years to introduce new product/new clients
- need a blend of consumptive and non-consumptive packages to survive; we each have to find our niche
- can't expect a complete turnaround from consumptive to non-consumptive packages
- NOTO could bring in experts in birds, wildflowers; give presentations at NOTO conference e.g. to help owners
- need to rely on networks; work with local operators - e.g. South Shore Association referral system
- can you put packages together with others?
- Paddle Ontario has a waiting list of 30 people wanting to join marketing program
- are your partners or in competition with other accommodation owners?
- if you can sell only by running down others, then you're not competitive
- not interested in renting rooms for one night only
- "put some bullets in tour operators' guns", to go over to Germany and get clients
- if European tour operators doesn't deliver what they promise, client can sue
- European and Asian markets want an itinerary
- don't have the dollars for European marketing
- need Internet site assistance to NOTO e.g. rather than go to fishing shows
- your web site is key: need to be linked into other key sites

Quality and Standards

- we have to show we are a credible operator
- tourists rely on recommendations from friends or credible agent

- can we rank ourselves on service, not on beds/accommodation, not on a 4 star rating form Canada Select
- a plywood bunk and 4 inches of foam may be acceptable for some experiences
- need to look at state of repair of facilities
- don't want to be linked to bad places
- can we do rating through NOTO?
- mail merge through RBT license or fishing license
- need some sort of stamp of approval - need to look at world market
- most are interested in some sort of rating system
- Paddle Ontario has entry criteria

Human Resources

- match students from courses like those at Sir Sandford Fleming College with lodge owners

Land Use

- approvals process can be complex; e.g. new snowmobile trail in same area as a bear stand or in forest management area which might be designated for clear cut
- may get short notice of an aerial spray in an area where you've set up bear bait
- ATV trails will affect bear bait sites
- underwater logging is to be opened up
- resource-based people not there (at MNR) to help with RBT development
- don't want to upgrade facilities at outpost camps when only have a one year lease

THUNDER BAY FOCUS GROUP SESSION
MONDAY, AUGUST 13, 2001

CONSULTANTS MODERATING SESSION

John Murray	Economic Growth Solutions Inc.
Carolyn Wild	Wild International

SESSION PARTICIPANTS

Participant	**Organization**
Robert Miller	Miller's Resort Ltd.
Paul Pepe	MNDM - Thunder Bay
Paul Seidel	Artesian Wells Resort
Shannon Behmann	Wabakimi Wild Waters
Glenn Warren	MNDM
Dan Wright	Northern Ontario Native Tourism Association
Judy Boucher	Ogoki Frontier
Jeremy Dickson	Canoe Canada Outfitters
Rodger Ferguson	Gurnsey-By-The-Sea

PROFILE OF BUSINESSES

Gurnsey-By-the Sea

Description: Small resort with HK cottages on Lake Superior

Markets: mostly local and fishermen from Minnesota

Activities: vacation and fishing

Canoe Canada Outfitters

Description: Full and partial outfitting; fly-in outpost; fly-in resort; AP and HK; open 6 months; in business for 30 years.

Markets: mostly US; 8% Canadian

Activities: moose and bear hunts, fishing

New Directions: trying for more conferences; canoeing has declined a bit over last five years.

Miller's Resort & Red Pine Canoe Outfitting

Description: Resort; campground; canoe outfitting; open year round

Activities: 99% hunting and fishing

New Directions: looking to expand into adventure - snowmobiling, ATV, outpost camps, guided and unguided

Whitefish Lake Resort

Markets: 10-15% US - mostly Midwest; some southern states; rest of world

Activities: mostly fishing; 30% families who do a little of everything - canoe, fish, city tour, Old Fort William, amethyst mine, theatre

New Directions: have diversified from fishing over last five years; looking for marketing assistance to what they've started

Wabikimi Wild Waters

Description: Full and partial canoe outfitting; wilderness B&B; ecolodge

Markets: mostly Wisconsin and Michigan; starting to get Florida and Texas - flying in

Activities: fly-in fishing and moose hunting are bread and butter; canoe outfitting not carrying itself yet

Ogoki Frontier

Description: Strictly fly-in fishing; in business since 1992

Markets: 90-95% US; Minnesota, Wisconsin, Illinois, Indiana - 90% drive

Activities: selling a wilderness adventure; fishing is the star of the experience - it is a major factor; the quiet; looking at stars at night

New Directions: Ecotourism and adventure; float plane operations

DISCUSSION - KEY ISSUES

Canoeing markets

- canoeing has declined a bit over the last five years
- Quetico has lots of portages
- many do-it-yourselfers - because of Boundary Waters experience and pricing, they find it more expensive

Tourist spending

- families spend a lot
- cross country skiers don't spend much

Fishing & Hunting markets and trends

- awesome small mouth fishing
- 99% of my business is fishing and hunting
- my biggest market is fishing
- fishing is our bread and butter

Key Features; Natural Assets

- there is so much wilderness and many logging roads - how do we get permission to access
- lack of crowds

- on snowmobile trails may only see 3 others vs 100s in Eastern Ontario
- can't compare Northwest to the rest of Canada/Ontario - unique - Thunder Bay to Fort Frances is barren, remote - no toilets every 10km
- true wilderness experience - no crowding
- northwest Ontario is the Mecca of the world - been trying to tell MNR and provincial government
- canoeists love Wabikimi for solitude - happy to hop on float plane
- largest growth of white pine in North America

Protecting the Resource & Standards and Certification

- the resource is good in Quetico - conservation fishing - only 3% of customers take fish home
- we need "Green Zones" - access to green zones for non-residents must be through a Canadian outfitter. Many non-residents are not getting their crown land permits
- need standards, quality assurance, certification for ecotourism
- do not want green zones but some sort of certification
- want a boundary around lakes - more than 400m to protect from forestry
- one road went in and ruined the quiet
- NOTO is looking at standardization of resource-based tourism
- why not charge $500 for RBT license instead of $25 and come out and inspect me

Marketing

- tens of thousands of dollars have been dumped into marketing Northwestern Ontario - have to target small groups of geographic areas vs the whole northwest
- don't go to travel shows any more
- some operators have serious concern about NTMC and feel it has not been effective
- Paddle Ontario marketing program has worked poorly in Northwest - we've booked only 100 clients from 2000 hits
- how to convince client to pay extra to travel the distance - the price is worth it

- Timber Ridge Outpost in Nakina has a Web site "North of 50"
- need program help - marketing funds to help go to more shows - more advertising
- over a nine month period calls to the 1-800 number at NTMC received were 85% fishing, 5% hunting, 10% canoe-outdoor; NTMC marketed fishing and hunting
- have to get site specific marketing
- Discovery Channel doing a 6-part series which features the northwest

New Products, Opportunities and Markets

- tough to switch over to new markets
- "boreal forest experience" - getting tourists from Texas in spring because its so hot down there
- increase in groups - especially females - "bonding experience"
- Aboriginal groups
- "Moccasin Trails" concept - now marketing themselves as this vs through Sunset Country
- mature markets - safety, security are key - don't want to travel 60km by canoe
- cross sell opportunities, e.g. Valhalla Inn - canoe camp - Peawanuck
- adventure and ecotourism - it can still be ecotourism even if using a boat and outboard - adventure is taking risk - risk of flying in a small plane
- wilderness exploration by float plane
- remote tourism - even though its been in hunting and fishing - the area still has it all
- Winter packages - difficult to offer because on the road at trade shows in January-March
- border crossing from Pigeon river - call it the "superior Crossing"
- can fishing be eco?
- just do it
- give a service - will do anything the client wants - work personally one-on-one

Access

- biggest problem is getting flight in at a reasonable rate
- Northwest Airlines has shopping trips with a 747 from Germany to Minneapolis

Finance

- finance is a problem

Human Resources

- select on personal profile - “nice person” and can train them to do anything
- treat personnel like gold and pay them reasonably

KENORA FOCUS GROUP SESSION
TUESDAY, AUGUST 14, 2001

CONSULTANTS MODERATING SESSION

John Murray	Economic Growth Solutions Inc.
Carolyn Wild	Wild International

SESSION PARTICIPANTS

Participant	**Organization**
Marc & Judy Bechard	Andy Lake Resort
Carl Snow	Black Sturgeon Camp
Roger Clinton & Gina	Clinton's Ash Rapids Camp
Suzanne Woods & Dean Ridenaur	Tuesday's Resort

PROFILE OF BUSINESSES

Andy Lake Resort

Description:	Four-season resort. Housekeeping log cottages with full amenities. Licensed dining room
Markets:	Shoulder season conferences and retreats. Holistic, wellness retreat. Reiki and massage therapists
New Directions:	Building a conference room. . Ex-client is marketing to nurses associations and others

Ash Rapids Group

Markets: Midwest US; Kentucky, Tennessee

Activities: "best fishing in the world"

New Directions: thinking of web site targeted more to Europeans

Tuesday's Resort

Description: Small housekeeping camp with five cottages and 12 seasonal RV sites. Recently purchased

Markets: 50-50 fish and families; US Fishermen in June; US and Manitoba families July-August

Activities: Affordable holidays; Quiet enjoyment; fishing a bonus

New Directions: Cleaning up and reorienting to appeal to fishermen's wives

DISCUSSION - KEY ISSUES

Fishing

- Do a better job of what we've got - fishing
- Clients spend the whole day fishing; easy to manage
- Would like to have catch and release fishing on the entire Lake of the Woods
- Don't want "meat" fishermen
- Want barbless conservation fishing only- 95% of lodges on Lake of the Woods would agree

Snowmobiling

- Snowmobiling hasn't taken off here as it has in the east
- Ontario no longer accepting Manitoba permits
- $30/day per machine for OFSC permit
- Some success with snowmobiling from good niche marketing; e.g. Older couples and groups

Diversification Program

- We're good at running a resort; need to know where the new markets are and what the opportunities are for diversification

Threats

- Problems with Customs at US border

OPPORTUNITIES

Emerging Markets and New Product Opportunities

- Kayaking
- Hiking trails
- Clothing sales to snowmobilers
- Typical day package without the fishing: morning boat ride in the mist; photography; walk on trail in woods; catch a fish or two; gather firewood; shore lunch; tour pictographs; see some wildlife; return
- Ecotourists include shopping, a round of golf in their activities
- Unusual attractions; e.g. "CORNference" rooms and mazes cleared in 10ft cornfield
- History of the area
- We're in another world compared to the rest of Ontario
- Storm-watching - offered to Japanese in Ucluelet, BC
- Have 20km of cross country ski trails
- Links with locals, e.g. with owner of dog team for doglsedding

KEY CONSTRAINTS

Access

- Access a challenge for European markets

- There are direct international flights to Winnipeg in the summer

Finance

- Need to spend money on infrastructure for ecotourism

Marketing/promotion and packaging

- Ecotourists are more demanding than fishing clients; want to be pampered
- Need to change image to more upscale; then fishers and hunters will think there is no fish or game
- Ecotourists are "cheap"
- Need to know where to go for new markets
- We're often inept at marketing or getting marketing assistance; need the right "buzzwords" for applications to FedNor and others

Human Resources

- Staffing is always a problem
- Can hire keen young international travellers as they do in Whistler, e.g. from Australia and New Zealand

Land Use

- MNR is a huge stumbling block
- Some lodges have cut their own trails rather than try and get permission

FORT FRANCES FOCUS GROUP SESSION
TUESDAY, AUGUST 14, 2001

CONSULTANTS MODERATING SESSION

John Murray	Economic Growth Solutions Inc.
Carolyn Wild	Wild International

SESSION PARTICIPANTS

Participant	Organization
Jerry Fisher	Morson Outfitters Inc.
Kiley Hanson	Hanson's Wilderness Lodges
Randy Hanson	Hanson's Wilderness Lodges
Dale La Belle	La Belle's Birch Point Camp
Hazel Williams	Trail's End Lodge

PROFILE OF BUSINESSES

Trails End Lodge

Description:	Log HK cottages with AP dining in main lodge
Markets:	mostly US Midwest through sports shows Jan-March. Small number of international clients through the Internet
Activities:	fishing, hunting, family vacations

Morson Outfitters Inc. - Grassy Narrows Lodge, Tamarack Lodge

***Description*:**	Full service resort and outfitting 35 miles north of US border. Tamarack Lodge a recent purchase; drive and fly-in
***Markets*:**	all over US; mainly Midwest, Kentucky, Florida, 90% repeat at Grassy Narrows; building clientele at Tamarack
***Activities*:**	99% fishing
***New Directions*:**	after 14 years, no longer going to sport shows - don't see the benefit of them; mainly marketing on Internet

La Bell's Bird Point Camp

***Description*:**	US Midwest; 90% repeat. Word of mouth

DISCUSSION - KEY ISSUES

Frustrations - "We are struggling on many fronts."

Frustrations: Government (Local to Federal) Action and Inaction

- the government is shirking their responsibilities to the resource
- we've had no help from MNR in 20 years
- guests trapped from departing lodge on a Saturday because of road works - no notice or consultation given
- the government has "done everything they can to put us out of business"
- gun registration at the US border is frustrating - old fines for DUI – e.g. $200 when guest paid $300 for accommodation
- there are new guidelines for fuel handling and water systems
- infrastructure costs are being downloaded onto small businesses. We are compelled to improve/upgrade without support
- dockside checklist for boat operations: have to file signed copy that guests know how to operate a boat. What happened to the wilderness experience? Rules are designed for Toronto

- need 5-6 hours for paper work to satisfy government.
- trying to contact the government requires enormous amount of time on the phone, committees
- small business is the backbone of rural Canada; we're expected to have the same infrastructure as a large company; fight the same battles as a multinational; regulations are not suited to small business - e.g. bank regulations

Frustrations: Revenue/Financial

- next year we'll have to borrow to stay in business
- we were making money in the snowmobile market from Manitoba until the $150 trail fee was introduced
- my kids are better off getting out of the business
- one customer generated $5000 with a group; he was hassled at the border over a DUI from 10 years ago and fined $200; he'll never return
- negative word of mouth has been particularly bad this year
- need more financial help for marketing and infrastructure to diversify; we should be compared with PEI farmers who no longer grow potatoes
- lodges are selling out fast to the private sector especially to US owners; lodges becoming private cottages; some become non-licenced operations - not paying the GST

Frustrations: Market Diversification

- lost the spring bear hunt in May. Difficult to generate revenue in May with other activities, yet May is one of the best times to visit NW Ontario - the birds are back, but the weather is not consistent - bear hunters didn't mind the weather.
- families opt for the best weather times, rather than the best fishing times
- Need to be clear what diversification will do. The dollars in the Diversification Program is not worth one spring bear hunt. This adds insult to injury. Now its being hidden in the diversification program. People aren't happy - are going broke. It's a knee-jerk reaction.
- we don't want another business plan

- I would love to diversify if the government was serious with a new product

Fishing and Hunting Markets and Marketing

- the only way we've been making money is from hunting and fishing
- fishing and hunting continue to be offered because the demand is there
- need to understand how interest in fishing and golf compares with other outdoor activities
- 20 years ago, spring and fall fishing was strong, but then you couldn't go boar hunting in Russia, peacock bass fishing in South America. The client with disposable income can now go anywhere.
- sport shows attract "tire-kickers" who come out for the best price
- the idea behind NTMC was great, because they'd do what operators can't. But marketing dollars were for to going to same trade shows that operators were at. They should be going farther afield. Dollars wasted on materials and bureaucracy

Key Features; Natural Assets

- 4 Ecosystems meet in Northwestern Ontario: the Great Plains, Great Lakes-St. Lawrence, Boreal Forest, and Oak Savannah
- Kay-Nah-Chi-Wah-Nung Historical Centre is a meeting place on Rainy River with over a thousand years history.

OPPORTUNITIES

Emerging Markets and New Product Opportunities

- Need new products in May
- Need shoulder season activities
- Instead of us coming to the province, Ontario should be out there finding new markets
- It is one thing to add kayaks for people, but hot tubs and new cabins cost significant capital

- Clients from Manitoba coming for vacations, not just to fish; include shopping and local touring during their stay
- Toronto markets tend to go due north rather than to NW Ontario
- www.getnorth.com is a web site worth linking to
- the government has to promote this area to markets we can't reach. Northern and Southern Ontario are two different worlds

KEY CONSTRAINTS

- Access
- Finance
- Marketing/promotion and packaging - can't go to new trade shows - we're broke
- Human Resources - can't afford to keep trained staff for 3-month peak season June-August

SIOUX LOOKOUT FOCUS GROUP SESSION
WEDNESDAY, AUGUST 15, 2001

CONSULTANTS MODERATING SESSION

John Murray	Economic Growth Solutions Inc.
Carolyn Wild	Wild International

SESSION PARTICIPANTS

Participant	**Organization**
Rick Tinnery	Deer Path Lodge
Tony George	Tikinagan Camp, Drayton Road
Judy Edwardson	Pickerel Arm Camp
Pierre Parsons	Mahkwa Lodge

PROFILE OF BUSINESSES

Mahkwa Lodge

Description:	Aboriginal owned. Housekeeping and American Plan.
Markets:	Mostly Minnesota, Illinois. About 5% women. Very few Canadians
Activities:	fishing: hard core in June; July/August less intense; some in fall. About 5% guided
New Directions:	value of trade shows is dying; will have web site by October; getting 60-70% word of mouth referrals

Tikinagan Camp

Description: 7 cabins and 2 outposts, all housekeeping

Markets: 90% US, 10% Canadian

Activities: fishing; more family-based holidays; round of gold and shopping as part of stay;

New Directions: thinking of getting into canoe outfitting on two significant waterways

Pickerel Arm Camps

Description: 9 housekeeping cabins and 9 fly-in cabins - all separate locations

New Directions: Cabin on one lake that is hard to fish - would like to try something else

DISCUSSION - KEY ISSUES

Fishing

- One of the greatest inland fishing waterways in the world
- Most lodges have bought into conservation fishing
- Conservation fishing has improved the resource over last 4-5 years

Diversification Program

- Show me where I can generate revenue so I can pay back $40,000 to replace bear hunt
- We want to diversify, but not under the gun
- Need 2-3 years to offer something new

Threats

- Gun legislation
- More fishing and hunting limitations

- Taxes have about tripled in 6 years
- Home-based, unlicensed operators who buy outposts or remote camp and run semi-privately with cash deals.
- One US resident put 6 Winnebagos on a lot, paying only residential taxes
- Complexities of taxes and accounting; e.g. Gas rebates
- New logging roads; affects outposts
- Logging companies may log all but a 30 metre buffer around a cabin
- Owners need to be multi-talented; don't have time or expertise for everything - e.g. May not be able to respond to a 5 year logging plan

OPPORTUNITIES

Emerging Markets and New Product Opportunities

- Canoe outfitting is increasing
- 3-5 day canoe packages
- Need to brush out portages in the spring - could use groups like Junior Rangers who used to do this
- Some independent European tourists are discovering the area. One young German couple is still talking about the lodge on the Internet
- Links with local expertise/talents, e.g. with owner of dogsled team

KEY CONSTRAINTS

Access

Finance

Marketing/promotion and packaging

- Mixing ecotourism with fishing in the marketplace and you're mixing oil and water
- Ecotourism means conflict with fishing, the "bread and butter" business
- Trying to penetrate the ecotourism market could hurt the image for current fishing markets
- Offering biking, hiking, horse riding etc., I might be competing with Provincial Parks
- Very difficult and very difficult for operator to penetrate the European market
- Some web sites bring in too many hits from people not seriously interested in booking
- Need to keep dates and packages separate for fishing and canoeing/ecotourism
- Nature is a pretty brutal place - does not always fit with image ecotourists may have of gentle nature
- European clients don't want to see garbage around; recycling for plastic etc.
- Some past negative results in working with a German agent; no loyalty
- Little to no knowledge of ecotourism

HUMAN RESOURCES

Land Use

- Canoeists don't want a motor boat screaming down the river they're paddling
- Need to be licensed as an operator to ensure you have the proper setup; need inspections

TIMMINS FOCUS GROUP SESSION
THURSDAY, AUGUST 23, 2001

CONSULTANTS MODERATING SESSION

John Murray	Economic Growth Solutions Inc.
Carolyn Wild	Wild International
John Stewart	Commonwealth Historic Resource Management Ltd.

SESSION PARTICIPANTS

Participant	**Organization**
Dale Laltner	Horwood Lake Lodge
Jana Kronk	Houston Lake Camp
Kenneth C. Kronk	Houston Lake Camp
Melanie Veillary	Hearst Air Service
Bob Rosewear	Hearst Air Service
Steve Konopelky	P.B.C.O. Cochrane
Graham Campbell	James Bay Frontier
Tr. Brown	Twin J Hide-A-Way
Terry Petznick	Moosehaven Lodge
Jim de Wit	Birchway Lodge
Brian Pountney	MNDM - Timmins
Jeanne Theriault	Air Ivanhoe
Eddie McDowell	Perry Lake Wilderness Lodge

This session was successful in terms of getting a good cross section of operators to attend. We would like to thank Graham Campbell, Executive Director of the James Bay Frontier Travel Association for his diligence in helping to coordinate this session and inviting operators to attend, along with the support of the organization's President, Steve Konopelky. Much of the tone of the session, however, was negative with operators reciting a series of frustrations ranging from cancellation of the spring bear hunt to other regulatory issues and concerns, along with difficulties of diversifying into new market segments.

Current Facilities and Products Offered

- A significant proportion of the operators present had been significantly involved in the spring bear hunt and have not yet recovered financially from its cancellation.
    - However, most such lodges are involved in other market segments including family vacations during the summer and fishing.
- Fishing is offered by all of the operators and there is a stronger emphasis on catch and release, although this has been a transition process and not an immediate switch-over.
- Operators present offer a range of facilities from modest house-keeping cabins to high end full service resort operations such as Air Ivanhoe, who also operate a large number of outpost camps.
- Most of the operators had outfitting and guide services available, with larger operations like Ivanhoe employing a significant number of guides.
- Alternative activities of a non-consumptive nature being offered by this group of operators appeared to be fairly limited, although some had been trying to diversify.

Current Markets

- Geographically most cater to the large American market in border states, generally within a 1 day drive of the Timmins area.
- Some camps indicated that they have recently been picking up more Canadian business, possibly in part because Canadians are doing less travel in the U.S. because of the high U.S. dollar.
- It was also noted by operators that their regular fishing/hunting clientele is getting older.

- Virtually all operators cater to the family market quite extensively during July and August and, as such, do offer some lake resort type recreational activities (e.g. swimming, boating, horseshoes, volleyball, etc).

- It was noted that many of the operators charge in U.S. dollars only, but some indicated they attempt to offer rates in both Canadian and U.S. dollars although have concerns about how to protect themselves from any possible significant currency fluctuations.

Extent of Diversification into Non-consumptive Markets

- In general the extent to which these operators had attempted diversification was limited, although several did talk about some of their initial attempts and related frustrations.

- For example, one operator wanted to set up a bear feeding station in order to have wildlife viewing activity but was advised by Ministry of Natural Resources and Ministry of Environment that this was not permitted.
  - Detailed discussions were held with MNR on this although there was a concern that when such sites are developed, some local residents who are hunters will take the opportunity to shoot the wildlife gathering at the feeding stations.
  - Therefore, for this concept to work there would need to be strict policing of the situation by wildlife operators which would require additional resources for MNR.

- A very major concern of several of the operators here was the land use conflict by forestry companies who are clear-cutting extensive land tracts in the immediate area of some lodges and outpost camps.
  - This completely eliminates any hope of some of these operators diversifying into non-consumptive products as many of the nature-based experiences and wildlife-viewing are based on having pristine forested wilderness available.
  - This is a major policy issue for MNR and needs to be examined closely.
  - This issue became an overriding theme of the discussion.
  - On this point the consultants noted that forestry companies will have their day of reckoning in that the world's largest customer for milled lumber – Home Depot – has declared that it will shift over to only eco-certified lumber over the next few

years, a concept which has also been embraced by the large furniture manufacturer/distributor Ikea.

- Some operators have been attempting to develop trail systems (especially those not near clear-cuts) although there are issues related to MNR permits when on Crown land.
    - In the case of ATV trails the decommissioning of logging roads and bridges is quite problematic – while this may be environmentally prudent in the long term it does limit the possibilities for outdoor adventure activities.

Best Potential Product Opportunities and Emerging Markets

- For this group of operators the lead contenders were wildlife-viewing, birding, hiking trails, and ATV trails.
- The U.S. market was considered by far the most lucrative for both existing and any emerging activities, although it was acknowledged there was interest in the Canadian market in new non-consumptive products, but perhaps less of a willingness to pay adequately for this.
- Some operators recognized the potential of the overseas market although felt it was difficult to tap into.

Key Constraints and Challenges

As noted earlier, the tone of the session was fairly negative and operators commented on a litany of regulations and issues which constrain the ability to do business including the following:

- The issue of the conflict with forestry companies was noted earlier and Air Ivanhoe noted that a lumber road was even punched directly into one of its camps – several operators contended that the lumber companies have offices within the Ministry of Natural Resources and in their view appeared to "control some of the activities of MNR".
    - Large operators see themselves more on the outside and have difficulty influencing MNR they feel.
- Operators felt they had a lack of awareness of how to access grants, funding, assistance for attending trade shows and other support that is available from different agencies and government programs.

- Operators felt that the lumber industry enjoys a certain degree of protection, but that resource-based tourism needed similar levels of protection.
- There were a lot of concerns about border crossing issues including the following:
    - General unfriendliness of Canadian customs officers, many walking around with open side arms.
    - Too much red tape at the border including additional gun registration form requirements and the recent issue of fining Americans who have a previous Driving Under the Influence (DUI) conviction, even though it may have been many years ago.
    - It was noted that fly-in camps, which are typically on Crown land, cost several times as much to build because they are only accessible by fly-in or distant boating, but when the camps are accessed by air or boat once the site is developed, they are then required to pay more taxes.
- Some operators agreed with the concept of diversification but pointed out the following problems or difficulties:
    - Problem of manpower and expertise (e.g. "how do I get into survival type stuff")
    - How do we access funding for upgrading – that is, forgivable loans
    - Most felt it was a risky proposition to jump into another business
    - While the fall bear hunt was extended it conflicts with the families market in the late summer, when such operators would already be full.
- Access to funding for both infrastructure upgrading and marketing/promotion was considered difficult.
- Accessing the market itself was considered a difficult task in the case of trying to penetrate new market segments.
- Many operators feel that in other provinces there is stronger support for tourism marketing and subsidies available for individual operators to develop brochures, etc.
- It was noted that there are some grants available in specific areas such as eco-tourism grants for Francophone employees out of the Destination North program (trying to encourage services available in French) and the possibility of accessing HRDC dollars if using unemployed construction workers to build or renovate facilities.

- Infrastructure upgrading is needed in some cases simply to reduce liability levels which are an ongoing concern as insurance is a key issue for many operators.
- Feel that government assistance in the form of capital and marketing dollars which are accessible with a structured repayment plan could be effective, along with government backing of lines of credit at the bank for May and June when operators have inadequate cash flows.
- It was noted that some lodges are being closed as a result of all the problems and we are currently in a generational shift, so it will be interesting to see what happens over the next several years in terms of lodge ownership and operations.

MOOSE FACTORY FOCUS GROUP SESSION
FRIDAY, AUGUST 24 2001

CONSULTANTS MODERATING SESSION

John Murray	Economic Growth Solutions Inc.
Carolyn Wild	Wild International

SESSION PARTICIPANTS

Participant	**Organization**
Freida Small	Moose Cree First Nation
Michael Delaney	Moose Cree First Nation Lands & Resources
Bert Wapachee	Moose Cree First Nation Economic Development
J.D. Heffern	Wa-sh-ow
Laurie Philip	Moose Factory Tourism Association
Verna Linklater	Interested in getting into the business
Mary Cheeno	Interested in getting into the business

This focus group was held at a second location within the James Bay Frontier Travel Region, primarily in order to gain the participation of some Aboriginal tourist operators which had been limited or nonexistent at most of the other sessions. The consultants, however, have had considerable recent exposure to the Aboriginal resource based tourist operators through recent work they have been undertaking developing an Aboriginal Tourism Development Strategy for Northern Ontario.

Current Product Offerings

- It was emphasized by the stakeholders who attended the session that their thrust is in offering a range of resource based tourism products which have the added Aboriginal cultural dimension
    - In the immediate region there are a number of hunting and fishing oriented camps such as Tidewater Goose Camp and some of these demonstrate traditional cooking and traditional foods in addition to using Aboriginal guides for the hunting and fishing activities.
- The Moose Cree First Nation is currently developing a unique resource based tourism facility – essentially an ecolodge type operation – called Wa-sh-ow – at this point this new log facility is currently still under construction and will offer first class eco-lodge style accommodation focussing primarily on non-consumptive resource based eco tourism activities with a strong cultural emphasis.
- Packages, tourism excursions are an important thrust of current operations of various tourist facilities in and around Moose Factory.
    - The existence of the Polar Bear Express train excursion into Moosonee is a big advantage and some packaging occurs around this.
    - Packages typically take advantage of the various natural and cultural features in the Moose Factory area.
    - It was noted that there are over 300 species of birds in the immediate region.
- Major tour operators have been tapped into including GAP Adventures, and Victor Emmanuel Nature Tours.
- The development of the Moose Cree ecolodge in Moose Factory (essentially a full service hotel in the style of an ecolodge) has been a major boost to infrastructure in the area, but does not yet have the full range of packaging and programming developed.

Current Market

- In addition to Ontario and U.S., there has been some initial success tapping into overseas markets (particularly German), although one constraint is the lack of local sightseeing transportation in Moose Factory and guides available who speak German.

- Other products offered include culturally oriented guided tours, catch and release fishing, other sightseeing, and guided hikes along the shoreline.
  - A few years ago there was a local initiative focussing on traditional ecological knowledge spanning the areas of fish, culturally significant sites, and other aspects.
- Moose Cree are 40% owners of a major fishing lodge, Kasagami Lake Lodge, which is 60 km from Moose Factory.
  - This is a very significant operation which generates $300,000 in annual profits and by 2003 will be owned 100% by Moose Cree.
- Working with some tour operators on some packages including a tour operator in North Bay and Two Bay Tours which is based in Moosonee.

Extent of Diversification - Non-Consumptive Products

- In addition to the cultural programming the following types of activities are offered in the area:
  - Boat tours.
  - Hiking expeditions.
  - Winter snowshoeing and cross country skiing expeditions.
  - There is also some consideration of snowmobiles and it was noted that there have been a significant number of enquiries related to snowmobiling and potential trail linkages.
  - There are also a lot of canoe pickups being done in certain areas in support of canoeing activities throughout the region.

Best New Product Opportunities and Emerging Markets

- In general the soft adventure market is being targeted by Moose Cree First Nation and the various operators making use of the ecolodge, Wa-sh-ow, and ultimately using Kasagami Lake Lodge.
- There is a strong interest in getting into effective winter-based ecotourism activities in order to extend the season and enhance viability of the existing operations – it is intended that Wa-sh-ow will be a year-round operation when fully developed.

- Birding is considered an important potential segment along with other wildlife viewing activities.

Key Constraints and Challenges in Diversifying

- Most of these businesses are at an embryo stage of development, although the recent major infrastructure developments (ecolodge, enhanced interpretive centre, and hopefully Wa-sh-ow) have provided a real boost and the thrust now is on developing the actual programming and activity.
- It was agreed that packaging and marketing is difficult and needs to be a key thrust of ongoing activities.

SUDBURY FOCUS GROUP SESSION
MONDAY, AUGUST 27, 2001

CONSULTANTS MODERATING SESSION

John Murray	Economic Growth Solutions Inc.
John Hockin	Economic Growth Solutions Inc.
Carolyn Wild	Wild International

SESSION PARTICIPANTS

Participant	**Organization**
Howard Acton	Long Lake Resort
Jim Little	Sundog Outfitters
Joe Ott	French River Lodge
Glenn Warren	MNDM
Trish Manning	MNDM
Ken Gibbons	MNR
Erin Downey	Rainbow Country
Eric Crane	Crane's Lochaven Lodge
Sylvie Pardis	MNDM
Murray Morello	MNDM
Rita & Terry Gordon	Gordon's Park Manitoulin Island
Maury East	Killarney Mt. Lodge, Killarney Outfitters

This session was attended by a good balance of operators ranging from hard core traditional hunting/fishing lodges to a number who were diversifying more broadly into outdoor adventure and ecotourism, including one operator who specialized exclusively in ecotourism type products. While some of the more traditional operators were overly negative in their outlook, the discussion overall was fairly balanced in that we had such a good cross section of operators present.

Facilities and Products Offered

- The range of operators present appeared to offer the following types of products and facilities:
    - Full service resorts catering to fishermen, families, and lakeside getaways in general (e.g. Killarney Mountain Lodge).
    - Traditional hunting/fishing lodges offering both housekeeping and American plan facilities, with guided hunts and guided or unguided fishing available.
    - Summer family resorts (e.g. Manitoulin Island) which also cater to fishermen and some hunters.
    - Ecotourism operators who do guided canoe excursions, whitewater expeditions and some winter expeditions including snowshoeing and winter camping.

Current Markets Being Served

- The fishing market was still the largest and most prevalent among the operators in attendance, although it was noted that the focus on only fishing was diminishing with a range of other side activities taking place during the fishing vacation including boating, swimming, canoeing and other nature based activities.
- Operators catered to a combination of Southern Ontario, U.S. and European markets and noted the strong potential of the European market as they have a very romantic view of Canada and its pristine wilderness.
- All operators cater to the summer family market to varying degrees with the majority dominated by families during July and August.
- A lot more packages are being offered in order to enhance the effectiveness of product marketing, although it was noted that there is a lack of communication among various groups which hinders market penetration and packaging partnerships.

Extent of Diversification into Non-Consumptive Products

- Because of the cross section present there were numerous examples of this.
- Activities such as canoeing and kayaking were considered to have a great potential and already tapped into by some operators, although it was noted that the canoers are typically "tight fisted", so it appears to be difficult to generate a sufficient yield from this segment – although canoers who actually fly in (e.g. from long distance U.S. or overseas markets) would typically rent equipment and often require guides which is where the higher yield comes in.
- Mountain biking has been tapped into by some operators along with other trail activities including ATVs, hiking, and winter activities such as snowmobiling and cross country skiing, snowshoeing.
- One operator had noted some innovative packaging and programming where they partnered with other tourist operations to market and operate a "run, paddle and cycle eco-challenge" and have hosted star gazing events and other unique events and packages.
- In general there was a lot of interest in diversifying into non-consumptive and eco opportunities, although it was noted that there are a lot of issues in relation to access to crown land, use of provincial parks and river systems.
  - It was also mentioned that sea-doos are a problem now in many areas, which is a concern.
- A number of operators felt that the growth market was definitely in eco and adventure and that the traditional fishing and hunting segments were on the decline.
  - Even veteran fishing lodge operators stressed that they were offering a much broader experience than just fishing, with a range of swimming, boating, hiking and other outdoor activities enjoyed by guests.
  - One operator indicated that some 3 or 4 decades ago they concluded that fishing was a diminishing resource and that it was necessary to diversifying into hiking, sailing, canoeing, kayaking and other activities.
  - They had also worked in horseback trail riding, subsequently got out of this business, although are planning on initiating this again, - again there are issues in relation to access to Crown land for such things as trail riding.

Best New Product Opportunities and Emerging Markets

- The soft adventure market was considered to have significant potential based around a number of wildlife viewing and outdoor adventure activities (canoeing, kayaking, mountain biking, hiking, etc.).
- It was noted that Ontario has some of the best canoeing potential anywhere in the world because of its extensive wilderness river systems, several of which are heritage rivers.
- Wilderness horseback riding is considered a unique opportunity that could be developed provided adequate access to crown lands is available.
- While some operators advocated development of ATV trails, primarily using logging roads, several of the operators present came out strongly against the idea feeling that this is a major disruption to the wilderness, unless closely policed.

Key Constraints and Challenges in Diversifying

A wide range of issues and constraints were noted here including the following:

- It was noted that extensive development of outdoor adventure and ecotourism activities requires access to crown land and imposes a whole new resource management regime in order to "police" the appropriate use of different resources.
  - It was noted, for example, that there are over 600 canoe trips every year on the Spanish River but no regulations or enforcement.
- An MNR official present noted that on open Crown land there are really no rules, although within provincial parks only registered operators can carry on activities and various regulations can be enforced.
- The whole issue of certification and licensing was raised and many operators felt that an appropriate guide licensing as well as lodge licensing program would be appropriate, although guide licenses would require certification and regular re-certification (e.g. every year or two) - lodge licenses should be significant and meaningful and not the $25 uninspected concept that exists presently.
- Apparently NOTO is looking at certification issues at various levels.
- MNR also noted that there are Resource Stewardship Agreements in place which provide some resource management controls. Resource Stewardship Agreements, however, do not provide any form of land tenure. They are business-to-business

arrangements between the forest industry and tourist operators. The intent is for the two businesses to agree on certain things (recognized tourism values, forest management prescriptions, and road use strategies) in order to allow the resource-based tourism and forest industries to coexist and prosper.

- In general it was agreed that management of land use access and potential conflicts is a key consideration and that MNR would require additional financial and human resources to undertake this effectively.
- Another key issue noted was that notwithstanding the importance of certification and training of staff and guides, the cost of training is high and that this is an area operators need assistance in (the return on investment can also be low as there is significant annual turnover of guides and staff).
- Having an expanded emergency response for back-country activities will be needed as development of non-consumptive resource based tourism increases the number of people using the back country.
  - It was also noted that there are a number of liability issues associated with trails on Crown land.
- In general it was felt that Ontario has not been effectively marketing the outdoor product that is available across Northern Ontario.
  - It was noted that this role had been given to NTMC, but some operators expressed concerns about the effectiveness of its initiatives (although it may be still too early to understand the impact of NTMC's initiatives which have been primarily in the past year or two).
- Some felt that OTMP had undertaken some good initiatives such as Arts in the Wild and Paddle Ontario, although the general thrust of the provincial marketing was such that the Province's image is still primarily associated with its three largest tourist destinations, which are Toronto, Niagara Falls and Ottawa.
- There was lack of agreement on how to enhance the effectiveness of the province's marketing efforts but it was felt that some rationalization and/or better coordination would need to occur among the NOTAPs, NTMC, and OTMP.

APPENDIX B

Questionnaire for Tourist Operators Survey

Study No. T703-01
August 15, 2001

ONTARIO RESOURCE BASED TOURISM OPERATORS SURVEY

ASK TO SPEAK TO LODGE OPERATOR

Hello. I'm _______________ from Insignia Marketing Research. We are conducting a survey for the resource based tourism industry in Ontario looking at development opportunities. Could we include your opinions in our survey? It will only take about 15 minutes and your individual answers will remain confidential. (IF ASKED, EXPLAIN THAT SURVEYS ARE ANALYSED IN AGGREGATE ONLY). And, the final report on the overall results will be made available to operators.

1. First, what is your season of operation here? In what months are you open? (CIRCLE ALL THAT APPLY)

MONTHS OPEN

Jan	1	July	7
Feb	2	Aug	8
March	3	Sept	9
April	4	Oct	10
May	5	Nov	11
June	6	Dec	12

2a) What types of accommodation do you provide to guests? **(READ).**

b) (FOR EACH) How many do you have?

	YES	NO	HOW MANY?
Lodge rooms?	1	2	____________
Cabins or cottages?	1	2	____________
Serviced campsites?	1	2	____________
Non-serviced campsites?	1	2	
Other types?	____________		____________
(Specify)	____________		____________
____________			____________
____________			____________

c) (IF CABINS OR COTTAGES ASK) How many of your cabins or cottages would have: (READ)

-running water? ________

-indoor plumbing? ________

-showers or bath? ________

-fridge and stove? ________

d) How do your guests normally access your site: (READ)

-drive in?	1
-fly in?	2
-boat in?	3
-rail in?	4

3. What types of outdoor activities are available to guests? **(DO NOT READ) (PROBE)**. Any others?

ATVing	1
Backpacking/hiking/trekking/walking tours	2
Bicycling/mountain biking	3
Canoe outfitting/kayaking	4
Dog sledding	5
Flightseeing/Fly-in charters	6
Fishing	7
Catch 'n Release	8
Catch 'n Keep	9
Ice Fishing	10
Golf	11
Horseriding	12
Houseboating	13
Rest and relaxation	14
Hunting—what type?	15
Big game	16
Small game/waterfowl	17
Skiing/snowboarding	18
Snowmobiling	19
Rest & Relaxation	20
Snowshoeing	21
Whitewater rafting/river camping	22
Wildlife/birdwatching/photography	23
Other (specify) ______________________	

____

4. Do you offer: **(READ)**.

	YES	**NO**
American plan?	1	2
Housekeeping?	1	2
All inclusive packages which would include accommodation, meals as well as activities?	1	2
All inclusive packages with other lodges, outfitters or guides?	1	2

5a) **(IF PACKAGES OFFERED).** With your all inclusive packages, what would be the cost per person, per night? Please give me the range.

FROM	**TO**
$ ______	$ ______

b) **(IF PACKAGES OFFERED)** And what would be the cost per person, per week? Again please give me the range.

FROM	**TO**
$ ______	$ ______

c) **(IF PACKAGES OFFERED)** What would be included in these all inclusive packages? **(CIRCLE ALL THAT APPLY)**.

Accommodation	1
Meals	
Breakfast	2
Lunch	3
Dinner	4
Activities with Guide	5
Activities with Equipment	6
Non-Equipment Activities	7
Other	8

6a) **(IF AMERICAN PLAN OFFERED).** With the American Plan, what would be the cost per person, per night? Please give me the range.

FROM	**TO**
$____	$____

b) **(IF AMERICAN PLAN OFFERED)** And what would be the cost per person per week? Please give me the range.

FROM	**TO**
$____	$____

7. Do you personally agree or disagree with each of the following statements: **(READ)**

	AGREE	DISAGREE	NO OPINION
Ecotourism and adventure travel is a growing business in Ontario	1	2	3
I would be prepared to promote my business in the Central U.S.	1	2	3
I would be prepared to promote my business in the Southern U.S.	1	2	3
My operation must offer new and different activities to survive long term	1	2	3
More marketing activity would not significantly increase my business	1	2	3
My operation must upgrade its accommodation to survive long term	1	2	3
Resource based tourist operations industry requires significant investment over the next 5 years.	1	2	3
Finding qualified staff would be a problem if we expanded our business	1	2	3
I have sent my staff on training courses in the past 5 years	1	2	3
I have upgraded my equipment in the past 5 years	1	2	3
Ontario is losing market share in the resource based tourism industry to other destinations	1	2	3

8a) Do you see your type of business changing at all in the future?

YES 1
NO 2 **SKIP TO Q.9**

b) In what way will your business change do you think?

____

____

9. What features or strengths does your operating area offer that could attract new tourists over the next 5 years? **(PROBE)** Anything else?

10a) Some operations have expressed an interest in expanding the range of experiences and facilities that they provide to attract new guests. Do you have any interest in considering new experiences, expanding facilities, or attracting new types of guests?

YES	1
NO	2 **SKIP TO Q.12**

10b) Specifically, what kinds of experiences, expanded facilities or new types of guests are you thinking about? **(PROBE)** Any other ideas or initiatives being considered?

11a) I will read you a list of possibilities. You may have mentioned some of them. Please tell me for each whether you would be very interested, fairly interested or not very interested in considering it for your operation, regardless of the capital investment required. If you already offer it please let me know. **(READ LIST. START AT ASTERISK).**

b) **(FOR EACH VERY OR FAIRLY INTERESTED ASK).** If you were to provide **(EACH)** would it require in your view a major capital investment, a minor investment or essentially no real investment? What about **(NEXT)?**

	a)				b)		
	Very Interested	Fairly Interested	Not Very Interested	Already Offer	Major	Minor	None
ATVing	1	2	3	4	1	2	3
Backpacking/hiking/trekking/ walking tours	1	2	3	4	1	2	3
Bicycling/mountain biking	1	2	3	4	1	2	3
Canoe outfitting/kayaking	1	2	3	4	1	2	3
Dog sledding	1	2	3	4	1	2	3
Flightseeing/Fly-in charters	1	2	3	4	1	2	3
Golf	1	2	3	4	1	2	3
Horseriding	1	2	3	4	1	2	3
Houseboating	1	2	3	4	1	2	3
Big game hunting	1	2	3	4	1	2	3
Small game/waterfowl hunting	1	2	3	4	1	2	3
Parasailing	1	2	3	4	1	2	3
Scuba Diving	1	2	3	4	1	2	3
Skiing/snowboarding	1	2	3	4	1	2	3
Snowmobiling	1	2	3	4	1	2	3
Snowshoeing	1	2	3	4	1	2	3
Whitewater rafting/river camping	1	2	3	4	1	2	3
Wildlife/birdwatching/photography	1	2	3	4	1	2	3
Arts and craft activities	1	2	3	4	1	2	3
Culture and historical tours	1	2	3	4	1	2	3
Nature interpretation with a guide	1	2	3	4	1	2	3
Expanding lodge facilities	1	2	3	4	1	2	3
Building more cabins/cottages	1	2	3	4	1	2	3
Winterizing accommodation	1	2	3	4	1	2	3
Operating earlier in the season	1	2	3	4	1	2	3
Staying open longer in the season	1	2	3	4	1	2	3
Offering all inclusive packages including accommodation, meals and activities	1	2	3	4	1	2	3

c) **(IF ANY MAJOR OR MINOR IN Q. 11b) ASK)** If you wanted to expand or add to your facilities in the ways you indicated, how difficult do you expect it would be to arrange capital financing?

Very difficult	1
Fairly difficult	2
Not very difficult	3

12. Which of the following would you consider to be major drawbacks to expanding and diversifying your operation, if any: (READ)

	YES	NO
Access to sufficient capital?	1	2
The physical condition of your operation?	1	2
Government regulations?	1	2
Poor telephone services?	1	2
Lack of internet services?	1	2

13. What countries, states or provinces would be your major sources of business. Just tell me the areas which would account for at least 10% of visitors?

Ontario	1	Illinois	7
Quebec	2	Ohio	8
Manitoba	3	New York	9
Other Provinces (specify)________________	4	Other States (specify)________________	10
Michigan	5	Europe	11
Wisconsin	6	Orient/Asia	12
		Other Countries (specify)________________	13

14. And would your visitors mainly be: **(READ. CIRCLE ALL THAT APPLY).**

Families	1
Couples	2
Singles	3
Male Groups	4
Female Groups	5
Mixed Groups	6
Other	7

15. Which of the following would best describe the kinds of experience your guests are most often looking for: (READ)

peace and quiet,	1
a wilderness experience,	2
back to nature,	3
outdoor adventure,	4
renewing friendships, or	5
some other type of experience? (SPECIFY)	6__________________

16. For how many years have you been involved with this business?

________________________ Years

17. Is the land your buildings occupy leased or owned?

LEASED	1
OWNED	2

17b) How long is the term of the lease? ________________ Years

18. When you decide to retire, will you most likely: **(READ)**

Pass the business on to family	1
Sell the business, or	2
Close the business	3
NO IDEA	4

19. Will you retire in the next 5 years?

YES	1
NO	2

20. While you are open, approximately what would be your occupancy rate in the: (READ)

Summer	_____%	not open	1
Spring	_____%	not open	2
Fall	_____%	not open	3
Winter	_____%	not open	4

THANKS FOR YOUR HELP

RESPONDENT'S NAME: ______________________________

ADDRESS: ______________________________

CITY: ____________________ PROV: ____________________

POSTAL CODE: ____________________ PHONE: ____________________

"I hereby certify that this interview was conducted according to the questionnaire and instructions for this study and that the answers recorded are as given to me by this respondent.

I also realize that a proportion of my work will be checked back for verification."

______________________________ ______________________________

INTERVIEWER'S NAME – PLEASE PRINT INTERVIEWER'S SIGNATURE

____

DATE

APPENDIX C

List of References

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APPENDIX D

Examples of Resource-Based Tourism Diversification from British Columbia

APPENDIX D – EXAMPLES OF RESOURCE-BASED TOURISM DIVERSIFICATION FROM BRITISH COLUMBIA

The British Columbia operators interviewed varied greatly in the size and in the type of business they were operating. These ranged from 5 star wilderness lodges to small-scale guiding operations with a focus on hunting and fishing:

1. Oak Bay Marine Group
2. Knight Inlet Grizzly Bear Adventure Tours
3. King Pacific Lodge
4. Okanagan Outfitters
5. Campsall Outfitters

Some of the key points from the interviews are highlighted below:

Small Guide Operations

- The smaller guiding operations had in general offered adventure/eco activities such as wildlife viewing and photography (most common) right from the beginning.
- Most found that offering both types of activity conflicted with their core (hunting) operations.
- Operators commented on the differences (operational and financial) between taking one client hunting and a group on a wildlife-viewing trip.

Markets

- These operators obtain the majority of their clients from the international markets of U.S. and Europe.
- The U.S. market usually accounts for over 75% of an operators business, while Canadians are a very small percentage generally around 2% to 8%.

Eco/Adventure Focused Lodges

Product

- The high end lodges that now make ecotourism and outdoor adventure their core focus had originally been purely fishing lodges.
- The lodge owners made a deliberate effort to change the product they offered and the markets they were targeting.
- The process of changing the lodges focus from fishing to ecotourism occurred over a number of years and initially fishing was still the core product. These lodges still offer fishing, but it is now a component of an ecotourism product with the emphasis on the experience.
- Significant investment was made in the facilities to increase the standard of accommodations

Packaging

- All of the lodges interviewed offered a broad range of adventure/eco activities.
- The lodges had a variety of activities available to guests i.e. kayaking, biking, guided wildlife viewing
- Most of the activities are offered in-house, though they also have partnerships with other providers for activities such as heli-hiking and whale watching.
- For those activities not included at the lodge packages were available so guests were able to tailor a vacation to suit their preferences.

Markets

- These operators obtain the majority of their clients from the international markets of U.S. and Europe.
- The U.S. market usually accounts for over 75% of an operators business, while Canadians are a very small percentage generally around 2% to 8%.

Oak Bay Marine Group

1327 Beach Drive
Victoria, BC
V8S 2N4
Mary Garden – Marketing Director

Oak Bay Background and History

The Oak Bay Marine Group has been in the tourism business for over 30 years. The group began in 1962, when Bob Wright started the Oak Bay Marine Group with one marina in Oak Bay, Victoria BC. Since then, the organization has expanded to include 18 divisions in three countries including resorts, tourist attractions, restaurants and marinas. Oak Bay is a Canadian company employing over 1,000 staff and management each year.

Painter's Lodge in Campbell River originally opened in the 1920's with afew rustic cabins and has subsequently become established as a sportfishing icon. In 1938 the lodge moved to its current location. In 1985 the old lodge was destroyed by fire, the Oak Bay group purchased the site in 1987 and rebuilt the lodge. The group also acquired April Point Lodge on Quadra Island in 1998, to further expand their marine based programs.

Products and Services

Painter's Lodge, Campbell River, B.C.

- Painter's Lodge is a full facility resort hotel. Special features include: Legends Dining Room, Outdoor Swimming Pool, Tyee Pub, Hot Tubs, Fireside Lounge, Tennis Courts, Conference Facilities, Fitness Centre, Gift Shop, Car & Bike Rentals, Children's Activity Centre, Zodiac Adventure Tours.
- About 6 years ago Oak Bay started to diversify their product at Painter's Lodge.
- This change/diversification of product was a direct result of guest requests/comments; people were looking for more to do on their holiday. Oak Bay believe fishing is all about friends and family and that this group also have a diverse range of preferences when it comes to activities.

- Oak Bay packages are still primarily based around their fishing product, as Campbell River is still known globally for its salmon fishing. However, those visiting their lodges now have more reason to stay longer and return because of the multitude of other activities in addition to fishing.

- The Oak Bay Group practices a catch and release policy dictated foremost by Department of Fisheries regulations and secondly by the individual guests requirements.

Sample Tours

- Whale Watching adventures in BC's Discovery Passage aboard 24' Zodiac. This tour includes lunch and is a full day mini-coach/zodiac adventure. Adult: $115 Child: $79 (12 & under)
- Eco-tours - three-hour zodiac tours with a choice of the following:

  Bear Tour
  Cruise through breathtaking Desolation Sound and enjoy the majesty of Toba Inlet to seek out Black Bears in their natural habitat.

  Ocean Rapids Tour
  We'll have you white-knuckled through 5 sets of extreme rapids. Beware of "The Drain" - an exhilarating rush of water located on the flood in the Arron Rapids. This is not for the faint of heart!

  Nature Tour
  See Mitlenatch Island Marine Park and Bird Sanctuary, Desolation Sound, the Brem River Estuary, sea lions, dolphins, eagles, Timber wolves, deer and more.
  Adult: $55, Child: $30 (12 & under)

Fishing packages range in price from:

- US$239 (low season) per person, double occupancy for 3 days, two nights and two fishing trips (guided 4-hour).
- US$315 (high season) per person, double occupancy for 3 days, two nights and two fishing trips(guided 4-hour).
- (fishing licenses, meals and beverages are not included)

Implementing the Change

- The Oak Bay Group affected its product diversification through a commitment to marketing and advertising the benefits of the new products and acknowledging that this had to be done in a different way to different markets. They saw a broadening of their traditional customer base.
- Oak Bay also made an investment in additional equipment (i.e. boats) and staff with the skills necessary to host these new activities. However, the marketing costs were the most significant investment required to effect the change.
- The majority of the marine based activities are offered in house, however the group do have partnerships with local operators for some products like "snorkel with the salmon."

- Oak Bay Marine Group maintains a high level of repeat clients, who are doing more and more activities each time. The diversification of products and services has been an important factor in the retention of the existing client base.
- Creating and offering options to guests is also an important part of diversification, Oak Bay continue to offer guests both self-driven activities (i.e. guests organize and do their own thing) and/or organized packages where there is more emphasis on the experience and learning.

Changes Witnessed as a Result of Diversification

- The Oak Bay Group has experienced healthy annual growth over the past 5 years in spite of declining fish stocks (although 2001 has been a good year), fishing limits and Department of Fisheries regulations regarding salmon fishing. The group attributes this growth to their diversified product and believe that they could not have achieved these results by relying solely on fishing product.

The Future

- The tourism market will continue to experience further diversification
- There will be a strong demand for education/learning-based vacations in potential Oak Bay markets, especially in North America and Europe.

Knight Inlet Grizzly Bear Adventure Tours

c/o Knight Inlet Lodge, 8841 Driftwood Road
Black Creek, B.C., Canada V9J 1A8
Dean Wyatt – Owner/Director

Background and Product

Grizzly Bear Tours purchased the sportfishing lodge in 1996, with the intention of creating a tourism product focusing on wildlife viewing. The business vision/philosophy is centred on learning and education, providing guests with a unique and rewarding experience based on the areas wildlife, fishing, forestry, geography and geology. Grizzly Bear Tours offer guests the opportunity to enjoy unique wildlife and nature photography opportunities while experiencing the Canadian wilderness first-hand from the comforts of the floating lodge, nestled in a quiet cove on the waters of Knight Inlet.

Knight Inlet offers a number of different packages ranging from one to seven nights (at the lodge). All tour programs begin in Campbell River on Vancouver Island and then have a half-hour flight over Johnstone Strait taking you into the wilderness of Glendale Cove.

The lodge has a variety of activities from daily grizzly bear viewing tours in spring, summer and fall, whale watching tours, marine wildlife excursions, scenic Inlet cruises, rainforest hiking trips and even salmon fishing.

- The lodge when purchased in 1996 was a sportfishing lodge; all of its previous clients had been fishermen.

- Over the course of two years (1997 – 1999) the focus of the operation went from 90% sportfishing to 5% and by 2000 the sportfishing component accounted for less than 1% of the business.
- The lodge offered bear and whale watching from the beginning (1997) and within two years the non-fishing product accounted for 95% of there sales.
- In 1998 the lodge purchased kayaks and in 1999 they began jet boat tours of the Klinaklini River. Since then they have continued to add and enhance their products and in 2001 are offering heli-hiking and heli-flightseeing in conjunction with a local pilot who supplies the equipment needed.

The Lodge

- 15 rooms all with bathrooms, although they only sell/market 12 rooms, as there is a maximum of only 24 guests at any one time.
- No television or radio and no telephones in any of the suites.
- The lodge also has a lounge and bar, though this is a very small component, as the guests tend to drink very little. The lodge also has a small giftshop.
- The lodge operates from May to October with their low season being June 30 – August 20 inclusive, their shoulder season May 1 - June 29 inclusive and their high August 21 - October 21 inclusive.
- To make guest tours more enjoyable and to limit their impacts on the bears, viewing is restricted at the channels to 10 people per trip (3 trips per day). Guests can still view the grizzlies in our other viewing areas or take part in any of the other tours or trips each day.

Components of the 4, 5 and 8 night packages

- Return airfare from the Campbell River Float Plane basin to Knight Inlet Lodge
- Transfers from the airport to the hotel and the hotel to the float plane and return to the airport
- One nights accommodation at Painters Lodge or April Point Lodge in Campbell River
- Three, four or seven nights accommodation at Knight Inlet Lodge in a deluxe room with private bathroom and shower
- All meals and snacks while at Knight Inlet Lodge (breakfast, lunch and dinner)
- Complimentary wine with dinner
- Services of all lodge staff including naturalists and photography leaders
- Evening interpretive programs
- All transportation to all of the tour programs
- B.C. Provincial Hotel Tax, B.C. Back Country Permit Fee, First Nations User Fee
- Your choice of the following:
    - excursions to Johnstone Strait for marine wildlife viewing - weather permitting
    - excursions for Bald Eagle viewing and other bird life
    - excursions to the upper reaches of Knight inlet for scenic viewing of the inlet
    - excursions to see the grizzly bears from the platforms or boats
    - excursions for other wildlife viewing depending on location and availability
    - scenic cruise of Knight inlet
    - excursions to Thompson Sound and Bond Sound for bear and wildlife viewing
    - jetboat tours of the Klinaklini River - subject to water levels in the river
    - wildlife tracking to make plaster casts of animal prints
    - interpretive forest walk in the Kwalate Valley

  - use of kayaks on organized tours
  - visit to New Vancouver for a traditional lunch with the Tanktaeuk First Nation and legend telling

Implementing the Change

- Marketing was the key factor in initiating the change from a fishing lodge to an ecolodge, which was achieved firstly by getting the product out to travel wholesalers and receptives.
- Acknowledging the focus and market were also totally different to the previous fishing clientele and now included a lot of families and females.
- In addition to marketing the operation also required new equipment: the lodge was upgraded and some new buildings added, a new 24 ft whale watching boat was also purchased, but initially they used the existing fishing boats. Then in 1998/99 they also purchased the jet boat and kayaks.
- Bear Tours believed their product was geared to a niche high-end market, but initially marketed to the mainstream market. Their product is now offered in 30 different countries around the world.

The Market

- Initially they were catering to both the fishing and eco markets, but these two groups had very different agendas and did not mix well.
- Ecotourists do not dislike fishing, however they have a very different mentality to the sportfishing client, ecotourists will fish while on holiday, but the focus would be on the experience of fishing rather than actually catching any fish.
- The shift from fishing to ecotourism and wildlife viewing also produced a dramatic change in the profile of guests staying at the lodge.
- The present clientele is predominately (62%) female with a lot of couples and families, while the traditional fishing market was almost exclusively males.
- In 1999 the lodge received over 1,200 guests during the season. In 2001 they will receive over 1,500 guests from 19 different countries and 2002 is already 60% sold.
- The UK is their biggest market comprising 42% of their guests, followed by Australia, the U.S. and Switzerland.
- However, the U.S. is the largest market a terms of number of nights, they average around 5 nights per stay, while all other groups are around 3 nights.
- It is interesting to note that the lodge has had little success with the Italian market, not because of the product but because this market books at very short notice and most of their rooms are already taken. Many Italian agents and individuals try to organize and book travel only 6 weeks prior to departure.
- The lodge does not cater or market to the Asian market, and are not interested in catering to this group tour market, as it could possibly be at the expense of their other client groups.

Pricing and packages

- Average cost equates to Cd$600 per person per night. Includes all food, flights from Campbell River, non-alcoholic drinks and activities excluding heli-adventures.
- Packages range from $785 per person for 2 nights low season to $4055 per person for 8 nights high season. All packages include one night accommodation in Campbell River.

Staff

- The lodge has a total of 17 staff.
- One guide to every four guests, a very labour intensive operation
- The lodge has a very diverse (i.e. geographers, geologists, biologist and forestry experts etc) and young group of staff that is highly qualified many with more than one degree.

King Pacific Lodge

Princess Royal Island
British Columbia
Regula Kipf - General Manager

Background and History

King Pacific Lodge is a floating wilderness lodge anchored off Princess Royal Island in Northern BC. Located 90 km (56 miles) southwest of Prince Rupert at Barnard Harbour, Princess Royal Island is at the mouth of the Douglas Channel. From Vancouver, guests fly to Prince Rupert and from there, a float-plane transports them to the Lodge's front door (included in price).

The original lodge was built in 1986 and operated as a sport fishing lodge the current owners purchased the lodge in late 1996 and have since built a new lodge in 1999 (estimated $6 million including additional equipment purchases). The new owners have operated the lodge with a philosophy that focuses on sustainability and how they interact with a finite resource such as wilderness.

The lodge also recognises the First Nations peoples of Knight inlet and their connection with the land and waters of the area. As a result their operations reflect/recognise the First Nations way of life, for example limiting guests halibut catch to one fish per stay (government limit is two fish), as the area is an important native food fishery. This is incorporated as part of the experience as guests learn about the fishery and why the limits are in place, its part of the education and learning experience that the lodge focuses on.

The Lodge

- The lodge operates only for the spring to fall seasons opening in May and closing mid October.
- King Pacific has a total of 18 staff that cater to the needs of a maximum of 25 guests. The lodge also has a games room, computer area with photo-shop for editing, fly tying stations and a library.
- The new lodge has 18 rooms including one suite, all rooms are oversized with ensuite bathrooms, lounging areas and custom designed furniture.
- There is also a health spa with a steam room, exercise equipment, jaccuzi and cold plunge pool

Products and Services

The lodge offers guests numerous activities including:

- Ocean fishing for Salmon or Halibut
- Interpretive programs and Guided nature cruises
- Hiking and Mountain biking tours
- Wildlife photography trips and Bear watching

- Kayaking and canoeing
- Fly-in freshwater fishing and fly tying
- Helicopter tours/freshwater fishing
- Reading in the fireside library and Star gazing
- Phosphorescent night cruises
- Salt-water fly fishing and Fly-tying instruction
- Gyotaku lessons (Japanese art of fish painting)
- Children's programs
- Spa and fitness facilities: Stairmaster and stationary bicycle, Sauna, steam room, Cold plunging tub, Hot tub, Massage and aromatherapy services

The package

- Includes round trip air flight from Prince Rupert to the lodge on Princess Royal Island.
- 10 hours of fully guided activities per day
- All meals and open bar facilities
- Full use of all lodge facilities including the health spa.
- Standard deluxe room accommodation for a three night stay is US$1,900, while prices for a three night stay in the Royal suite are US$8,400.
- All prices are exclusive of a US$150 conservation surcharge and flights from Vancouver.

Commitment to Environment and Sustainable Operations

- The lodge was a finalist in the recent 2001 BC Ethics in Action Awards. King Pacific Lodge was praised for a setting good example to BC's Eco-tourism industry and its involvement in local environmental politics has helped to protect the rainforest, and the home of the Spirit Bears of Princess Royal Island.
- King Pacific Lodge partners with the area's Native population through lease payments for land and water, employment and training, consultation on impacts of lodge activities, and financial support. The lodge also provides incentives for catch and release fishing and educates its staff and international guests on wilderness ethics.
- King Pacific uses eco-friendly and recycled products and has practices comprehensive recycling programs.

Implementing the Change

- Much of the change has been driven by the new owners philosophy and approach to operations and the recognition that their operations rely on a finite resource and requires sustainable practices to ensure its longevity.
- The most important step was to convey a marketing and public relations message that clearly explained who they were (to capture the attention of a like minded audience).
- The staff play a key role in delivering the overall guest experience, so the lodge needed to recruit knowledgeable staff with good social skills to make the experience memorable and educational.
- The guides interpret the resource, history, local communities and landscape to provide guests with a unique earning experience that gives them a better understanding of how and why the lodge operates as it does.
- There has also been millions invested in equipment and infrastructure to initiate the diversification in product, although this cannot be directly attributed to the lodges desire to

change their operations. The lodge has purchased new kayaks, rowboats, fly-fishing equipment and recently built a new lodge. .

The Market

- The lodge receives over 300 guests per season
- The vast majority (over 75%) of the guests are from the U.S.
- The remaining guests are primarily from overseas, with a small number from Europe, although King Pacific currently does very little marketing outside North America. The Canadian market is very small and this is attributed mainly to the price of the packages.
- The average guest stay is 3 or 4 nights arriving on either Friday and staying until Monday or arriving Monday and staying until Friday.
- The average guest spends an estimated US$3,000 on their lodge package.

Problems Associated With Implementing Change

- Reaching the customer through marketing.
- The BC government's stance on resource extraction (i.e. forestry and fisheries) in the province, which precludes other industries such as tourism that also rely on natural resources.

The Future

- The lodge will focus on building their client base and increasing the level of repeat business, which is currently around 40%.

Okanagan Outfitters

Marc Hubbard
RR #1, S-101, C-4
Penticton, BC
V2A 6J6 Canada

Product/Business

- Hunting guide offering the following services:
    - Hunting Types: Black Powder, Bow, Rifle, Shotgun
    - Animals: Black Bear, Bobcat, Canada Moose, California Bighorn Sheep, Lynx, Mule Deer, Rocky Mountain Elk, Mountain Goat, Mountain Lion, Upland Birds, Whitetail Deer
    - Wilderness Activities: Photo Safaris, Trail Rides, Wildlife Viewing
    - Winter Activities: Trap Line
- Has been guiding for 25 years and has tried to offer the wilderness activities (i.e. wildlife viewing) on and off since the beginning. They used the eco-activities as an aside while they were initially building up the hunting business.
- Operate on a year (approx 10 months) round basis, as the season runs from September 1 to June 30.
- Over three-quarters of their clients are from the U.S. and the remainder mostly from Europe, with a small percentage from Canada.
- Revenues charged on a per hunt basis. Hunts vary from 7 to 14 days depending on the species.

Facilities

- Hunting operations are operated out of their ranch
- They also have a cabin in the mountains with access by horse back
- Two full time guides/employees (i.e. husband and wife)
- Over twenty part time guides and also a number of cooks

Product and Business Changes

- No longer offer any wildlife viewing/ecotourism activities, as they believe there is no money in it compared to hunting. Also stressed that hunting incurs a significantly lower overhead because you only have one client, while ecotourism usually has groups of 10 to 20 people, which subsequently incur greater costs.
- Okanagan Outfitters also believe that the environmental and wildlife impact of ecotourism is significantly greater than hunting due to the number of clients per trip and the effects that this has on both the habitat and the animals.
- The guides enjoyed the educational aspect of the ecotourism activities, talking and teaching clients about the environment and the wildlife.
- The guides do not see how these two very different user groups can co-exist in close vicinity, as the actions of one adversely effect the other.
- Okanagan Outfitters believe the effects of activities such as heli-hiking have been significant, effecting the goat populations and driving them away from there prime (i.e. cliffs) habitat areas, to places were they are easy prey for predators.
- More opportunities for hunting have emerged over the years, usually associated with increased quotas. However, crown land user charges have also been increasing.